

CITY OF FAIRBORN, OHIO

**Independent Auditors' Reports on
Compliance and Internal Controls**

December 31, 1999

CITY OF FAIRBORN, OHIO

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Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Mayor and City Council
City of Fairborn, Ohio

We have audited the general-purpose financial statements of City of Fairborn, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 16, 2000.

This report is intended for the information of the Mayor and members of City Council, management, the Auditor of State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer Hackett & Co.

Springfield, Ohio
June 16, 2000

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

To the Mayor and City Council
City of Fairborn, Ohio

Compliance

We have audited the compliance of City of Fairborn, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of City of Fairborn, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of City of Fairborn, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the Mayor and members of City Council, management, the Auditor of State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer Hackett & Co.

Springfield, Ohio
June 16, 2000

CITY OF FAIRBORN, OHIO

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 1999

	<u>Federal CFDA</u>	<u>Project Number</u>	<u>Awards</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban:				
Development:				
Community Housing Improvement Program	14.239	A-C-97-118-2	308,000	104,297
Community Development Block Grant:				
Entitlement Grant	14.218	B-99-MC-39-0032	433,000	315,728
	14.218	B-98-MC-39-0032	433,000	108,985
	14.218	B-97-MC-39-0032	443,000	118,275
	14.218	B-96-MC-39-0032	454,000	564
	14.218	B-95-MC-39-0032	470,000	<u>9,095</u>
				552,647
Total U.S. Department of Housing and Urban Development				656,944
U.S. Department of Justice (Passing through Office of Criminal Justice):				
Domestic Violence	16.579	98-DG-DO2-7162	40,062	<u>40,062</u>
Total			\$	<u>697,006</u>

See notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of City of Fairborn, Ohio's federal award programs. The schedule has been prepared on the cash basis of accounting.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505**

CITY OF FAIRBORN, OHIO
DECEMBER 31, 1999

I. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Was there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Was there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Was there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Housing and Urban Development, CFDA #14.218
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Findings: None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings: None

**CITY OF FAIRBORN, OHIO
DECEMBER 31, 1999**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)**

None

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City of Fairborn

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June 16, 2000

The Honorable Mayor and
Members of the Council
City of Fairborn
44 West Hebble Avenue
Fairborn, Ohio 45324

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn, ("the City") for the year ended December 31, 1999. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Fairborn to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the Finance Director's Office. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The Report

This Comprehensive Annual Financial Report is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. The Introductory Section includes this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, a list of the Principal City Officials, and an Organizational Chart;
2. The Financial Section contains the Independent Auditors' Report, the General Purpose Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the Individual Funds and Account Groups that provide detailed information to the General Purpose Financial Statements;
3. The Statistical Section presents social, economic, and historical data which can be used to identify financial trends, and data relative to the fiscal capacity of the City.

The Reporting Entity

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety (police, fire, emergency medical services and public prosecutor), sanitation, social services, culture and recreation, water and sewer, planning and zoning, construction and maintenance of highways, streets and infrastructure, income tax collection, municipal court and general administrative services. City Council and the City Manager have direct responsibility for these activities.

The City participates in the Public Entities Pool of Ohio (PEP), established as a risk sharing self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. Information regarding this entity may be found in the notes to the general purpose financial statements.

The City of Fairborn

The City of Fairborn is located in the west central part of the state, approximately 60 miles north of Cincinnati, 70 miles west of Columbus and 10 miles northeast of Dayton, on Interstate 675. Easy access to both Interstates 70 and 75, place Fairborn within approximately a one-hour drive of Cincinnati, Indianapolis and Columbus. The home of aviation, Fairborn is the site of the Wright Brothers Memorial, Air Force Institute of Technology, Wright Field, Wright State University and Wright Patterson Air Force Base.

The City of Fairborn is a home rule municipal corporation operating under its own charter. In November 1946, the electors of the Village of Osborn adopted a charter to take effect January 1, 1948. In the November 1948 election, the Village of Osborn voted to annex the Village of Fairfield and to change the name of the Village to Fairborn, effective January 1, 1950. The Village of Fairborn became a city on August 20, 1951, with the electorate adopting the City's first charter on November 2, 1971.

The City operates under a Council-Manager form of government. City Council consists of six members elected to four-year terms in the general municipal election. The Mayor, as seventh City Council member, is elected to a two-year term by a separate ballot from the municipality at large. City Council appoints the City Manager who oversees the daily operations of the City. The City Manager appoints all department managers of the City.

Economic Condition and Outlook

Fairborn's economic growth continued at a steady pace in 1999 with balanced expansion of the City's residential, commercial and industrial bases.

The Fairfield Commons Mall, located adjacent to the City of Fairborn, experienced continued growth during 1999. The growth resulted in additional jobs, which provided employment opportunities throughout the area, including the City of Fairborn. The Fairfield Commons Mall will have a significant effect on Fairborn's economy in 2000 and future years.

The Nutter Center at Wright State University continued its tradition of presenting nationally prominent entertainers such as Elton John, ZZ Top, Rod Stewart, Bob Dylan, WCF Wrestling, WWF Wrestling, Champions on Ice, and others. Concerts by such popular entertainers attract crowds from Ohio, Indiana and Kentucky, bringing additional revenues into the local economy. Overall, the Nutter Center has remained one of the prominent concert centers in the Midwest.

New housing in Fairborn was bustling in 1999. Housing starts were substantial, with 288 dwelling units initiated, 95 of which were single family dwellings. Single family housing was particularly promising, as its 1999 total equaled the combined total for the period 1994-1996. Most of the single-family activity occurred in Autumn Creek, Brookstone, and Fawn Ridge, in the southeastern portion of the city. Other neighborhoods showing growth included Meadowlands, Candlelite Estates, and Northgate Estates. Multi-family housing increases in 1999 were attributed to the addition of units at Channingway and Charter Woods.

Commercial and industrial growth continued at a steady pace in 1999, focused primarily on smaller commercial projects and the remodeling of existing facilities. Projects included the expansion of Transcontinental Publishing, I-Supply Company, Wright-Patt Credit Union, and other local businesses.

National defense policy is of some concern to the City of Fairborn due to its major employer, Wright Patterson Air Force Base. Employment at Wright Patterson remained stable in 1999. Among other duties, the Air Force Base readies Air Force weapons systems worldwide, researches and designs new systems, develops flight vehicle technology and conducts scientific and technical studies on potential threats from major adversaries. All of these tasks are considered essential to the nation's safety; therefore, little, if any, significant change is anticipated in the employment at the air base. In fact, staff reductions at other bases have created the potential for increases in some functions at Wright Patterson.

Economic diversity is essential to the City of Fairborn. Although the City anticipates no major changes in employment at the Air Force Base, the community must seek a diverse economic base to protect its self-interest. Therefore, compatible economic development for the City of Fairborn remains a top priority.

Major Initiatives

For the Year

As with other cities, the adequacy of the City's infrastructure to support the City's needs is essential. Also, as stated previously, economic development is a top priority.

Construction continued on the North Trunk/Rona Hills Sewer, which will increase development opportunities in that area. Construction is anticipated to be completed in early 2000 on this \$1.8 million capital improvement project.

Development began at new Commerce Center development in 1999. A Kroger store opened in June of 1999 and was followed by several other stores, including Burger King, Wendy's, Skyline Chili, Fifth Third Bank and others.

The majority of the work on the City's Downtown Streetscape was completed in 1999. These improvements included street, curb, street lighting and landscaping. Also in 1999, \$1.1 million in improvements to the Bio-solids handling process at the Water Reclamation Center were completed. These improvements will result in a more economical and efficient method of Bio-solids disposal.

The meter change out program was begun in 1999. This program will provide new meters for all 11,000 water customers. These new meters will provide more accurate measurement of consumption and more efficient meter readings through the radio meter-read process.

An aggressive local streets program was continued in 1999 by the infusion of \$300,000 of income tax funds. This program allowed substantial improvements to various streets throughout the community.

The City continued to take an active role in economic development. This included a cooperative effort between the City and Greene County Economic Development to retain existing businesses and persuade new businesses to locate in Fairborn. As part of this program, existing businesses were visited to discuss concerns and explore alternatives for future change that would enhance opportunities for the current businesses. Also, new marketing and tax incentive materials were produced and distributed throughout the region.

The City was able to continue the DARE (Drug Abuse Resistance Education) program when the immensely popular program was threatened by a lack of funding from the Fairborn Public Schools. The City provided funding so that the DARE program could continue among the City's 5th and 6th graders.

For the Future

Priority items for the future are related primarily to the City's infrastructure. The City's growth continues to challenge the abilities of its infrastructure, especially water distribution, sewer collection, and street construction maintenance, and repairs. The City remains steadfast in its commitment to insure the maintenance of existing infrastructure and the development of adequate new infrastructure to meet future demands.

Due to the uncertainty of the national defense policy, the City must diversify its economic base. Therefore, the City must continue its efforts to retain existing businesses and attract new businesses in order to assure a healthy economy in the future.

Financial Information

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting used by the City is in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental and expendable trust funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental and agency funds. Revenues are recognized when they are susceptible to accrual; both measurable and available. Expenditures are recognized when the related liability is incurred except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds is on the flow of economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 1999 all accounting policies were applied consistently with those of 1998. Accounting policies are further explained in Note 1.

Internal Control Structure and Budgetary Controls

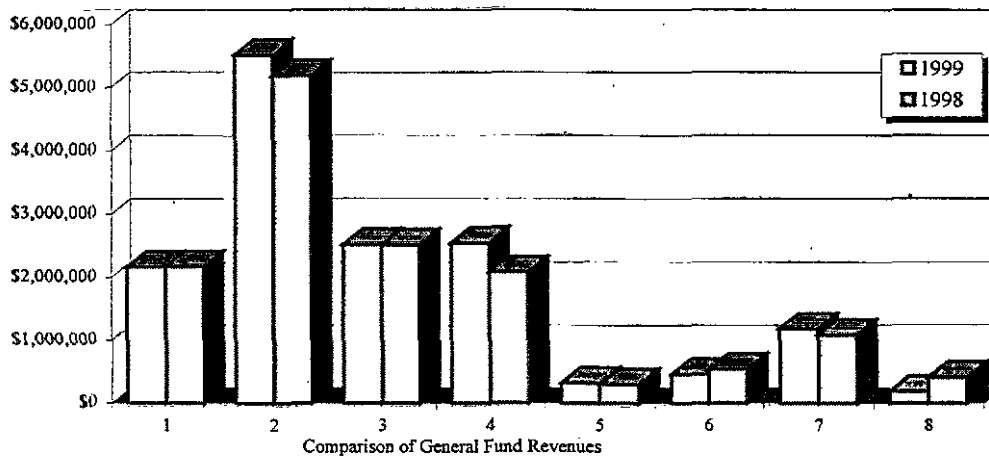
Development of the City's accounting system included consideration of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from its implementation. This evaluation involves estimates and judgment by the City administration and members of the finance office. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the purchase amount. Each department head is furnished a monthly report showing the month's transactions and a summary of the balances available to be spent from the appropriations for goods and services.

General Fund Functions

The following schedule presents a summary of general fund revenues for the years ended December 31, 1998 and 1999, the percentage of total revenues for each year and the amount and percentage of increase/(decrease) in relation to 1998 revenue.

Revenue Source	1999 Total	Percent of Total	1998 Total	Percent of Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Property Taxes	\$2,173,588	14.55%	\$2,183,432	15.21%	(\$9,844)	(0.45%)
2. Municipal Income Taxes	5,532,125	37.03%	5,197,699	36.22%	334,426	6.43%
3. Intergovernmental Revenues	2,526,711	16.91%	2,522,807	17.58%	3,904	0.15%
4. Charges for Services	2,550,169	17.07%	2,092,009	14.58%	458,160	21.90%
5. Licenses and Permits	321,738	2.15%	305,522	2.13%	16,216	5.31%
6. Investment Earnings	457,760	3.06%	541,442	3.77%	(83,682)	(15.46%)
7. Fines and Forfeitures	1,187,002	7.95%	1,091,726	7.61%	95,276	8.73%
8. All Other Revenues	190,684	1.28%	417,117	2.90%	(226,433)	(54.29%)
Total	\$14,939,777	100.00%	\$14,351,754	100.00%	\$588,023	



Property tax revenue decreased slightly (.45%) due primarily to a large number of one-time delinquent tax collections in 1998.

Municipal income tax revenue reflects a 6.43% increase from 1998 which is indicative of the economic growth experienced during 1999. The 1999 municipal income tax revenue total was \$5,532,125, up \$334,426 from the 1998 total of \$5,197,699.

Charges for Services experienced an increase of 21.90% primarily due to increased off-duty pay, interfund charges and prisoner care charges.

Licenses and permits increased 5.31% due to increased construction and a corresponding in revenues derived from building inspections and permits.

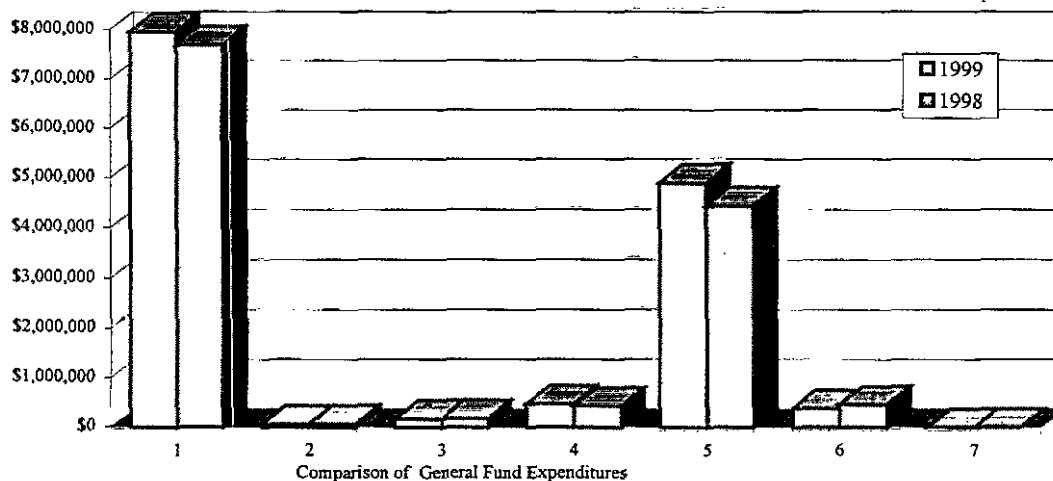
Investment earnings decreased 15.46% primarily as a result of a decline in market values which are recorded as reductions to investment earnings. Market values decreased as a result of interest rate increases during 1999.

Fines and Forfeitures represent money the municipal court collects. Statute requires that specific portions be placed in the City's general fund. The increase of 8.73% is indicative of annual fluctuations related to changes in the court's caseload.

All other revenue decreased 54.29% as a result of a large one-time Workers' Compensation reimbursement in 1998.

The following schedule presents a summary of general fund expenditures for the years ended December 31, 1998 and 1999, the percentage of total expenditures for each year and the amount and percentage of increase/(decrease) in relation to 1998 expenditures.

Function	1999 Total	Percent of Total	1998 Total	Percent of Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Security of Persons and Property	\$7,962,947	56.95%	\$7,697,492	57.85%	\$265,455	3.45%
2. Public Health and Welfare	67,886	0.49%	73,050	0.55%	(5,164)	(7.07%)
3. Leisure Time Activities	171,794	1.23%	176,781	1.33%	(4,987)	(2.82%)
4. Community Environment	477,321	3.41%	437,740	3.29%	39,581	9.04%
5. General Government	4,914,849	35.16%	4,454,711	33.48%	460,138	10.33%
6. Capital Outlay	385,490	2.76%	462,750	3.48%	(77,260)	(16.70%)
7. Debt Service	180	0.00%	2,146	0.02%	(1,966)	(91.61%)
Total	<u>\$13,980,467</u>	<u>100.00%</u>	<u>\$13,304,670</u>	<u>100.00%</u>	<u>\$675,797</u>	



The minor increase of 3.45% in expenditures within Security of Persons and Property is attributable to routine increases for materials, supplies, and services, as well as to changes in staffing.

The decrease of 7.07% in Public Health and Welfare resulted from a decrease in the cost of the health services contract with the Greene County Health Department.

The minor decrease in Leisure Time Activities of 2.82% was due to a decrease in the purchase of recreational supplies and other commodities in 1999.

The 9.04% increase in Community Environment expenditures was due to increased services required from the Community Development and Building Inspection Departments resulting from increased development activity.

General Government expenditures increased 10.33% due primarily to a large increase in the cost of Workers' Compensation insurance in 1999 and routine increases for salaries, materials, supplies and contractual services. The large increase over 1998 was due to a large credit received in 1998 that did not occur in 1999.

The 16.7% decrease in Capital Outlay expenditures is attributable to fewer purchases of equipment for General Fund activities.

Debt service costs decreased \$1,966 (91.61%) due to retirement of the computer note in February of 1999.

General Fund Balance

The unreserved fund balance for the general fund amounted to \$3,826,254 at December 31, 1999. Portions of the fund balance will be used to finance the 2000 budget.

Special Revenue Funds

The City has numerous Special Revenue Funds. Revenues for those funds for 1999 totaled \$2,075,328. These revenues were comprised primarily of intergovernmental revenues in the form of state motor vehicle license fees and gasoline taxes. Property taxes in the amount of \$145,227 were also received. The majority of these revenues were spent for street lighting and street repairs and maintenance.

Debt Service Funds

The City currently has one Debt Service Fund. Property taxes, intergovernmental, special assessments, interest and other revenue were used to pay general obligation and special assessment debt principal and interest.

Capital Projects Funds

Total revenues of \$685,726 were collected by the City's Capital Projects Funds in 1999. Financing for capital projects consisted of proceeds from the issue of \$250,000 in general obligation bond anticipation notes. Expenditures totaled \$970,653 for 1999. Major expenditures were the result of Issue II road projects, local street improvements, large drainage projects, replacement of an animal shelter, fuel tank replacements, a parking lot at Grand and Main, and land improvements to commercial property that will be repaid through Special Assessments.

Enterprise Funds

The City's Enterprise Funds consist of the water, sewer and sanitation operating funds. The enterprise funds are user fee supported.

	Total Assets	Total Equity	Net Income	Return on Assets	Return on Equity
Water	\$12,182,292	\$7,461,052	\$30,815	0.253%	0.413%
Sewer	13,909,474	6,007,421	570	0.004%	0.009%
Sanitation	1,258,835	534,309	102,321	8.128%	19.150%

The City Council increased sewer rates effective March 1994, to provide sufficient revenue to meet expenses, the Sewer Fund reflected net income of \$570 for the period ended December 31, 1999. The status of the Water, Sewer and Sanitation Funds is evaluated and presented to Council annually at budget time to determine if rate increases are necessary for the next year.

Internal Service Funds

The City's Internal Service Funds consist of the Equipment and Self-Insurance Funds. The Equipment Fund is used to account for charges to other funds for the repair of City vehicles and equipment. The Self-Insurance Fund provides dental coverage for specific groups of employees. Internal Service Funds are supported by charges to other funds for services.

	Total Assets	Total Equity	Net Income	Return on Assets	Return on Equity
Equipment	\$456,257	\$335,297	\$23,281	5.10%	6.94%
Self-Insurance	112,577	111,660	15,005	13.33%	13.44%

Debt Administration

As of December 31, 1999, the City had a number of debt issues outstanding: \$2,360,000 in general obligation voted bonded debt, \$2,287,000 in special assessment bonded debt with governmental commitment, \$4,040,000 in self-supporting general obligation bonded debt, \$4,396,423 in OWDA loans, \$266,967 in Ohio Public Works Commission loans, \$3,200,000 in general obligation bond anticipation notes, and \$96,462 in special assessment bond anticipation notes. The City has maintained its A rating from Moody's Investors Service on general obligation bond issues.

The City's legal debt margin, the ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position.

The City's debt position as of December 31, 1999, was as follows:

Overall Legal Debt Margin	\$41,913,321
Unvoted Legal Debt Margin	23,476,681
Net General Obligation Bonds Payable from Property Taxes	1,759,624
Net General Bonded Debt as a Percentage of Assessed Value	.42%
Net General Bonded Debt per Capita	\$52.91

A more complete presentation of the calculations of these figures may be found in the statistical section of this report.

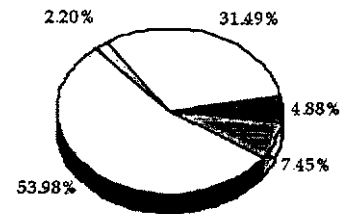
Cash Management

In July 1996, the City adopted changes to its investment policy and hired BondTech, Inc., as an investment consultant. With the guidance of BondTech, the City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the City's investment policy. The total interest earned was \$580,278 for the year ended December 31, 1999. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits.

The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

Cash Resources	1999	%
Cash	\$659,140	4.88
Discount Commercial Paper	1,005,967	7.45
Federal Government Securities	7,287,092	53.98
Investments (City's Debt)	296,460	2.20
STAR Ohio	4,250,958	31.49
Total Resources	<u>\$13,499,617</u>	<u>100.00</u>

1999



Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City is a member of the Public Entities Pool of Ohio (PEP), a risk sharing self-insurance pool. The pool consists of 230 local governments who pool risk for property, liability, and public official liability.

The City maintains the following insurance coverage: General Liability, Property Casualty, Police and Public Officials Liability and Ambulance Drivers Liability. It also maintains Workers' Compensation insurance.

Since March 1993, the City has been operating only a dental self-insurance program for the Non-Union Personnel. See Note 12 to the financial statements for a more detailed discussion of risk management.

Other Information

Independent Audit

The Fairborn City Charter requires an annual audit by independent certified public accountants. The accounting firm of Clark, Schaefer, Hackett and Company is currently in the second year of a five-year contract to perform this audit. The results of the audit are presented in the Independent Auditors' Report.

Employee Union Contracts

City employees are members of four different bargaining groups. The AFSCME union contract was renegotiated in 1999 with expiration in April 2002. The FOP union contract was renegotiated in 1999 with expiration in June 2002. The Police Dispatchers contract was renegotiated in 1999 with expiration in July 2002. The LAFF (Fire) contract expires on December 31, 2000.

Awards

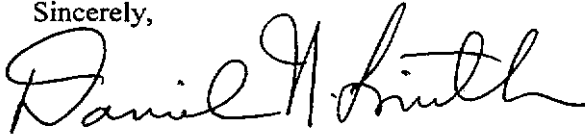
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairborn for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1998. This was the tenth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the Department of Finance and fiscal personnel in other departments. We are grateful for their help in preparing this report. We also thank the members of the City Council for their interest and support in assuring the continuing sound financial condition of the City of Fairborn.

Sincerely,



Daniel N. Smith
Finance Director

**THE CITY OF FAIRBORN, OHIO
GREENE COUNTY
CITY OFFICIALS
AS OF DECEMBER 31, 1999**

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Larry L. Long, Mayor

Jack Wilson, Deputy Mayor

E.J. Griffith, Council Member
Thomas H. Nagel, Council Member
B. Randall Roach, Council Member
Fredrick L. Pumroy, Council Member
Nancy Terwoord, Council Member

CITY MANAGER

Michael Hammond

CITY SOLICITOR

Michael Mayer

ASSISTANT CITY MANAGER

Allen Rothermel

FINANCE DIRECTOR/CITY CLERK

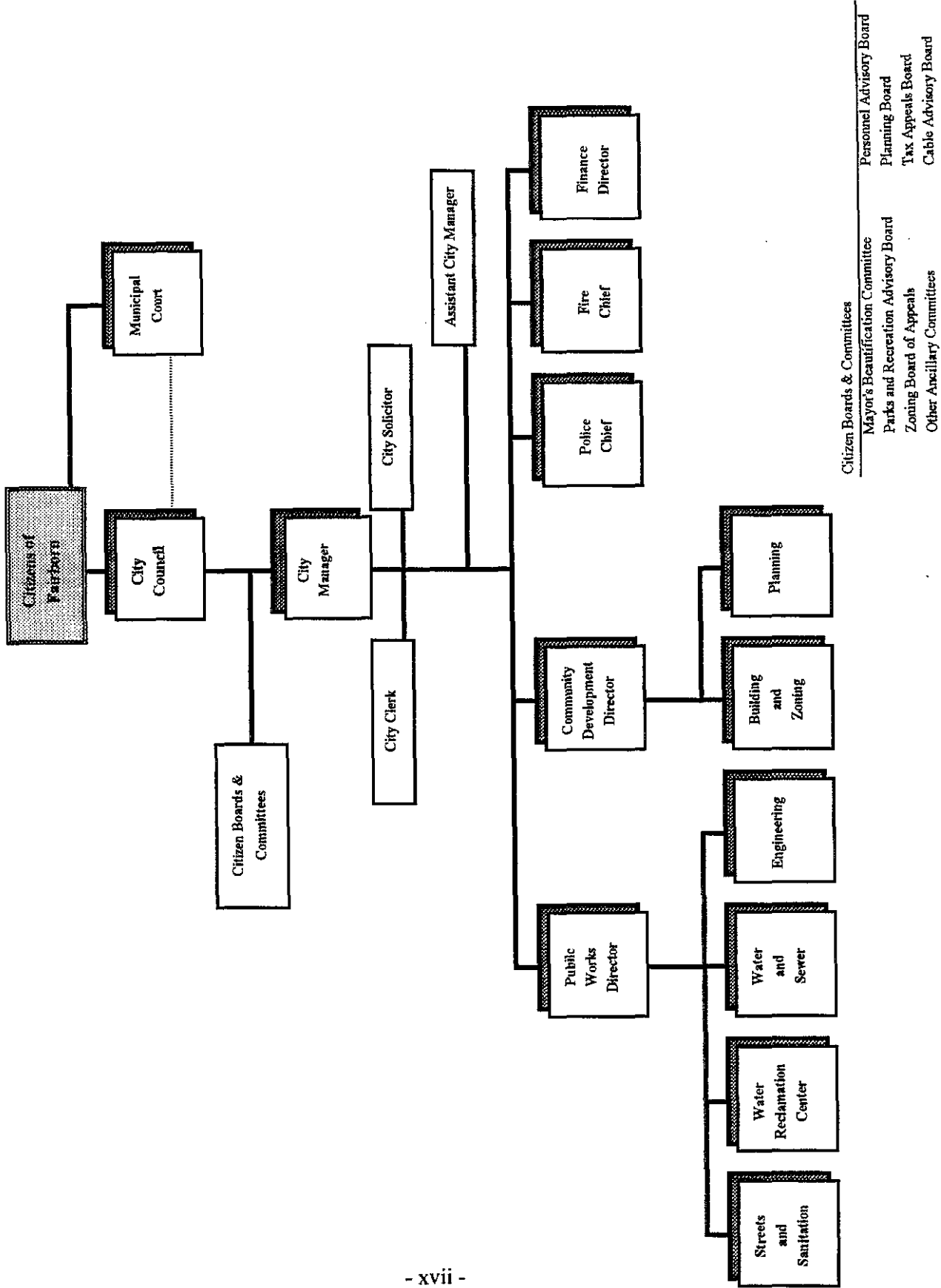
Daniel N. Smith

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Clark, Schaefer, Hackett and Company

The City of Fairborn, Ohio

Organizational Chart



Citizen Boards & Committees

- Mayor's Beautification Committee
- Parks and Recreation Advisory Board
- Zoning Board of Appeals
- Other Ancillary Committees

Personnel Advisory Board

- Planning Board
- Tax Appeals Board
- Cable Advisory Board

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairborn,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Craig Brueck
President

Jeffrey L. Esler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

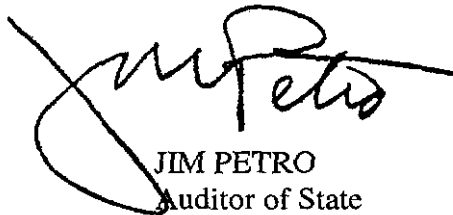
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

To the Mayor and City Council
City of Fairborn, Ohio

We have reviewed the independent auditor's report of the City of Fairborn, Greene County, prepared by Clark, Schaefer, Hackett & Co., Certified Public Accountants, for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Fairborn is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 12, 2000



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

To the Mayor and City Council
City of Fairborn, Ohio

We have audited the accompanying general-purpose financial statements of the City of Fairborn, Ohio (City) as of and for the year ended December 31, 1999, as listed in the contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Fairborn, Ohio as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2000 on our consideration of the City of Fairborn, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of Fairborn, Ohio, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

2525 North Limestone Street, Suite 103, Springfield, OH 45503-4291, 937/399-2000, FAX 937/399-5433

CINCINNATI

COLUMBUS

DAYTON

MIDDLETOWN

SPRINGFIELD

We did not audit the data included in the introductory and statistical section of this report and therefore express no opinion thereon.

Clark, Schaefer, Hockett & Co.
Springfield, Ohio
June 16, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF FAIRBORN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	Governmental			Proprietary			Fiduciary		Account		Totals
	Fund Types			Fund Types			Fund Type		Groups		
General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Agency Fund	General Fixed Assets	General Long-Term Obligations			
\$904,689	\$1,072,363	\$143,840	\$486,055	\$1,473,608	\$278,600	\$0	\$0	\$0	\$4,359,155		
2,922,628	0	448,614	538,874	4,594,445	84,958	0	0	0	8,589,519		
2,262,939	146,888	179,734	40,914	0	0	0	0	0	2,630,475		
171,265	1,736	0	5,218	879,690	14,393	0	0	0	1,072,302		
0	0	3,486,284	53,210	0	0	0	0	0	3,539,494		
104,881	0	4,933	0	8,472	379	0	0	0	118,665		
86,019	6,284	0	22,291	884	8,353	0	0	0	123,831		
67,009	0	0	0	0	0	0	0	0	67,009		
176,693	73,929	0	0	247,637	19,104	0	0	0	517,363		
25,386	64,812	0	0	102,559	82,263	0	0	0	275,020		
41,180	3,083	0	0	10,612	2,316	0	0	0	57,191		
0	0	0	0	164,934	0	0	0	0	164,934		
0	0	1,125	0	26,896	0	357,988	0	0	386,009		
0	0	0	0	19,572,457	78,468	0	15,467,590	0	35,118,515		
0	0	0	0	268,407	0	0	63,129	0	331,536		
0	0	0	0	0	0	0	0	600,376	600,376		
0	0	0	0	0	0	0	0	0	5,367,666	5,367,666	
0	0	0	0	0	0	0	0	0	\$5,968,042	\$5,968,042	
\$6,762,689	\$1,369,095	\$4,264,530	\$1,146,562	\$27,350,601	\$508,834	\$357,988	\$15,530,719	\$5,968,042	\$63,319,060	\$63,319,060	

Assets and Other Debits:

Assets:

- Cash and Cash Equivalents
- Investments
- Receivables (net of allowance for doubtful accounts):
- Taxes
- Accounts
- Special Assessments
- Interest
- Due from Other Funds
- Interfund Receivables
- Intergovernmental Receivables
- Inventory of Supplies at Cost
- Prepaid Items
- Restricted Assets:
- Cash and Cash Equivalents
- Cash with Fiscal Agent
- Fixed Assets (net of accumulated depreciation)
- Construction in Progress

Other Debits:

- Amount Available in Debt Service Funds
- Amount to be Provided for
- General Long-Term Obligations
- Total Assets and Other Debits

(Continued)

	Governmental			Proprietary			Fiduciary			Account		
	Fund Types			Fund Types			Fund Type			Groups		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Agency Fund	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)		
Liabilities, Equity and Other Credits:												
Liabilities:												
Accounts Payable	\$103,693	\$251,084	\$494	\$57,231	\$472,797	\$65,529	\$0	\$0	\$0	\$950,828		
Accrued Wages and Benefits	372,296	23,208	0	0	64,440	15,626	0	0	0	475,570		
Due to Other Funds	6,723	867	0	0	1,513	134	114,594	0	0	123,831		
Interfund Payables	0	67,009	0	0	0	0	0	0	0	67,009		
Intergovernmental Payables	88,334	2,750	0	0	63,765	15,913	103,418	0	451,210	725,390		
Undistributed Money	0	0	0	0	0	0	139,976	0	0	139,976		
Matured Bonds and Interest Payable	0	0	1,013	0	26,350	0	0	0	0	27,363		
Accrued Interest Payable	0	0	0	402	119,902	0	0	0	0	120,304		
Landfill Closure Costs	0	0	0	0	384,161	0	0	0	0	384,161		
Refundable Deposits	0	0	0	0	164,934	0	0	0	0	164,934		
Claims Payable	0	0	0	0	0	917	0	0	0	917		
Deferred Revenue	1,852,856	144,585	3,662,615	54,651	0	0	0	0	0	5,714,707		
Compensated Absences Payable	4,742	0	0	0	146,367	23,758	0	869,832	0	1,044,899		
General Obligation Notes Payable	0	0	0	0	3,200,000	0	0	0	0	3,200,000		
Special Assessment Notes Payable	0	0	0	96,462	0	0	0	0	0	96,462		
General Obligation Bonds Payable	0	0	0	0	4,040,000	0	0	0	0	6,400,000		
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0	0	0	2,287,000	2,287,000		
Ohio Water Development Authority Loans Payable	0	0	0	0	4,396,423	0	0	0	0	4,396,423		
Ohio Public Works Commission Loan Payable	0	0	0	0	266,967	0	0	0	0	266,967		
Total Liabilities	2,428,644	489,503	3,664,122	208,746	13,347,819	121,877	357,988	0	5,968,042	26,586,741		
Equity and Other Credits:												
Investment in General Fixed Assets	0	0	0	0	0	0	0	15,530,719	0	15,530,719		
Contributed Capital	0	0	0	0	13,912,069	0	0	0	0	13,912,069		
Retained Earnings:												
Unreserved	0	0	0	0	90,713	446,957	0	0	0	537,670		
Fund Balances:												
Reserved for Encumbrances	441,225	152,787	32	128,934	0	0	0	0	0	722,978		
Reserved for Supplies Inventory	25,386	64,812	0	0	0	0	0	0	0	90,198		
Reserved for Prepaid Items	41,180	3,083	0	0	0	0	0	0	0	44,263		
Reserved for Debt Service	0	0	600,376	0	0	0	0	0	0	600,376		
Unreserved:												
Undesignated	3,826,254	658,910	0	808,882	0	0	0	0	0	5,294,046		
Total Equity and Other Credits	4,334,045	879,592	600,408	937,816	14,002,782	446,957	0	15,530,719	0	36,732,319		
Total Liabilities, Equity and Other Credits	\$6,762,689	\$1,369,095	\$4,264,530	\$1,146,562	\$27,350,601	\$568,834	\$357,988	\$15,530,719	\$5,968,042	\$63,319,060		

The notes to the general purpose financial statements are an integral part of this statement.



THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Governmental</i>				Totals (Memorandum Only)
	<i>Fund Types</i>				
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	
Revenues:					
Property Taxes	\$2,173,588	\$145,227	\$243,701	\$95,144	\$2,657,660
Municipal Income Taxes	5,532,125	0	0	0	5,532,125
Intergovernmental Revenues	2,526,711	1,696,539	28,587	119,497	4,371,334
Charges for Services	2,550,169	33,328	0	5,218	2,588,715
Licenses and Permits	321,738	0	0	0	321,738
Investment Earnings	457,760	0	52,749	1,913	512,422
Special Assessments	0	0	283,177	124,522	407,699
Fines and Forfeitures	1,187,002	87,432	0	258,959	1,533,393
All Other Revenues	190,684	112,802	17,121	80,473	401,080
Total Revenues	<u>14,939,777</u>	<u>2,075,328</u>	<u>625,335</u>	<u>685,726</u>	<u>18,326,166</u>
Expenditures:					
Current:					
Security of Persons and Property	7,962,947	612,341	0	0	8,575,288
Public Health and Welfare Services	67,886	67,996	0	0	135,882
Leisure Time Activities	171,794	0	0	4,700	176,494
Community Environment	477,321	485,139	0	0	962,460
Transportation	0	766,452	0	0	766,452
General Government	4,914,849	133,359	29,134	70,239	5,147,581
Capital Outlay	385,490	462,917	0	809,309	1,657,716
Debt Service:					
Principal Retirement	0	0	366,000	55,000	421,000
Interest and Fiscal Charges	180	2,525	277,960	31,405	312,070
Total Expenditures	<u>13,980,467</u>	<u>2,530,729</u>	<u>673,094</u>	<u>970,653</u>	<u>18,154,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	959,310	(455,401)	(47,759)	(284,927)	171,223
Other Financing Sources (Uses):					
Proceeds of Sale of Fixed Assets	8,193	110	0	0	8,303
Proceeds from General Obligation Bonds	0	200,000	0	250,000	450,000
Operating Transfers In	53,636	213,093	18,000	676,453	961,182
Operating Transfers Out	(782,019)	(95,327)	(25,000)	(58,836)	(961,182)
Total Other Financing Sources (Uses)	<u>(720,190)</u>	<u>317,876</u>	<u>(7,000)</u>	<u>867,617</u>	<u>458,303</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	239,120	(137,525)	(54,759)	582,690	629,526
Fund Balance at Beginning of Year	4,090,509	991,042	655,167	355,126	6,091,844
Increase in Inventory Reserve	4,416	26,075	0	0	30,491
Fund Balance at End of Year	<u>\$4,334,045</u>	<u>\$879,592</u>	<u>\$600,408</u>	<u>\$937,816</u>	<u>\$6,751,861</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Property Taxes	\$2,202,865	\$2,168,391	(\$34,474)	\$146,030	\$146,031	\$1
Municipal Income Taxes	5,498,846	5,530,576	31,730	0	0	0
Intergovernmental Revenues	2,611,023	2,656,321	45,298	2,229,908	1,880,236	(349,672)
Charges for Services	2,513,643	2,524,277	10,634	22,675	31,592	8,917
Licenses and Permits	314,355	321,738	7,383	0	0	0
Investment Earnings	564,909	528,518	(36,391)	0	0	0
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	1,174,949	1,193,788	18,839	73,085	84,539	11,454
All Other Revenues	203,364	190,752	(12,612)	68,955	62,357	(6,598)
Total Revenues	<u>15,083,954</u>	<u>15,114,361</u>	<u>30,407</u>	<u>2,540,653</u>	<u>2,204,755</u>	<u>(335,898)</u>
Expenditures:						
Current:						
Security of Persons and Property	8,203,652	8,031,910	171,742	623,148	608,935	14,213
Public Health and Welfare Services	67,911	67,886	25	69,671	68,002	1,669
Leisure Time Activities	178,950	173,981	4,969	0	0	0
Community Environment	479,386	475,309	4,077	600,805	524,088	76,717
Transportation	0	0	0	813,191	792,875	20,316
General Government	5,297,771	5,150,604	147,167	171,466	171,431	35
Capital Outlay	748,939	722,852	26,087	716,229	572,598	143,631
Debt Service:						
Principal Retirement	35,000	35,000	0	0	0	0
Interest and Fiscal Charges	1,750	1,750	0	2,525	2,525	0
Total Expenditures	<u>15,013,359</u>	<u>14,659,292</u>	<u>354,067</u>	<u>2,997,035</u>	<u>2,740,454</u>	<u>256,581</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,595	455,069	384,474	(456,382)	(535,699)	(79,317)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	9,000	8,193	(807)	500	110	(390)
Proceeds from General Obligation Bonds	0	0	0	200,000	200,000	0
Proceeds from Special Assessment Notes	0	0	0	0	0	0
Operating Transfers In	48,597	53,636	5,039	214,027	213,093	(934)
Operating Transfers Out	(786,953)	(782,019)	4,934	(95,327)	(95,327)	0
Total Other Financing Sources (Uses)	<u>(729,356)</u>	<u>(720,190)</u>	<u>9,166</u>	<u>319,200</u>	<u>317,876</u>	<u>(1,324)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(658,761)	(265,121)	393,640	(137,182)	(217,823)	(80,641)
Fund Balance at Beginning of Year	3,417,513	3,417,513	0	687,831	687,831	0
Prior Year Encumbrances	347,066	347,066	0	173,855	173,855	0
Fund Balance at End of Year	<u>\$3,105,818</u>	<u>\$3,499,458</u>	<u>\$393,640</u>	<u>\$724,504</u>	<u>\$643,863</u>	<u>(\$80,641)</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$244,513	\$242,473	(\$2,040)	\$91,500	\$90,579	(\$921)	\$2,684,908	\$2,647,474	(\$37,434)
0	0	0	0	0	0	5,498,846	5,530,576	31,730
28,587	28,587	0	479,337	119,497	(359,840)	5,348,855	4,684,641	(664,214)
0	0	0	0	0	0	2,536,318	2,555,869	19,551
0	0	0	0	0	0	314,355	321,738	7,383
25,000	54,203	29,203	0	2,401	2,401	589,909	585,122	(4,787)
346,803	283,177	(63,626)	134,069	124,522	(9,547)	480,872	407,699	(73,173)
0	0	0	155,000	249,586	94,586	1,403,034	1,527,913	124,879
18,750	17,121	(1,629)	83,000	80,473	(2,527)	374,069	350,703	(23,366)
663,653	625,561	(38,092)	942,906	667,058	(275,848)	19,231,166	18,611,735	(619,431)
0	0	0	0	0	0	8,826,800	8,640,845	185,955
0	0	0	0	0	0	137,582	135,888	1,694
0	0	0	4,700	4,700	0	183,650	178,681	4,969
0	0	0	0	0	0	1,080,191	999,397	80,794
0	0	0	0	0	0	813,191	792,875	20,316
28,818	28,672	146	92,063	87,066	4,997	5,590,118	5,437,773	152,345
0	0	0	1,713,042	939,290	773,752	3,178,210	2,234,740	943,470
366,000	366,000	0	87,499	87,499	0	488,499	488,499	0
277,960	277,960	0	31,501	31,501	0	313,736	313,736	0
672,778	672,632	146	1,928,805	1,150,056	778,749	20,611,977	19,222,434	1,389,543
(9,125)	(47,071)	(37,946)	(985,899)	(482,998)	502,901	(1,380,811)	(610,699)	770,112
0	0	0	0	0	0	9,500	8,303	(1,197)
0	0	0	250,000	250,000	0	450,000	450,000	0
0	0	0	61,250	57,538	(3,712)	61,250	57,538	(3,712)
18,000	18,000	0	729,444	676,453	(52,991)	1,010,068	961,182	(48,886)
(25,000)	(25,000)	0	(58,836)	(58,836)	0	(966,116)	(961,182)	4,934
(7,000)	(7,000)	0	981,858	925,155	(56,703)	564,702	515,841	(48,861)
(16,125)	(54,071)	(37,946)	(4,041)	442,157	446,198	(816,109)	(94,858)	721,251
646,425	646,425	0	120,136	120,136	0	4,871,905	4,871,905	0
68	68	0	280,976	280,976	0	801,965	801,965	0
\$630,368	\$592,422	(\$37,946)	\$397,071	\$843,269	\$446,198	\$4,857,761	\$5,579,012	\$721,251



THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Operating Revenues:</u>			
Charges for Services	\$7,651,229	\$830,707	\$8,481,936
Other Operating Revenues	53,626	0	53,626
Total Operating Revenues	<u>7,704,855</u>	<u>830,707</u>	<u>8,535,562</u>
<u>Operating Expenses:</u>			
Personal Services	1,798,684	424,057	2,222,741
Materials and Supplies	281,897	16,787	298,684
Contractual Services	3,909,734	330,052	4,239,786
Dental Insurance Claims	0	33,884	33,884
Depreciation	1,302,921	10,773	1,313,694
Total Operating Expenses	<u>7,293,236</u>	<u>815,553</u>	<u>8,108,789</u>
Operating Income	411,619	15,154	426,773
<u>Nonoperating Revenues (Expenses):</u>			
Gain on Sale of Fixed Assets	7,656	0	7,656
Intergovernmental Revenue	247,637	19,104	266,741
Investment Earnings	63,828	4,028	67,856
Interest and Fiscal Charges	(626,624)	0	(626,624)
Nonoperating Revenues	52,205	0	52,205
Nonoperating Expenses	(22,615)	0	(22,615)
Total Nonoperating Revenues (Expenses)	<u>(277,913)</u>	<u>23,132</u>	<u>(254,781)</u>
Net Income	133,706	38,286	171,992
Retained Earnings (Accumulated Deficit) at Beginning of Year	(42,993)	408,671	365,678
Retained Earnings at End of Year	<u>\$90,713</u>	<u>\$446,957</u>	<u>\$537,670</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,536,040	\$0	\$7,536,040
Cash Receipts from Quasi-External Operating Transactions with Other Funds	0	845,309	845,309
Cash Payments for Goods and Services	(4,074,774)	(342,511)	(4,417,285)
Cash Payments to Employees	(1,812,816)	(418,590)	(2,231,406)
Cash Payments for Employee Medical/Dental Claims	0	(35,976)	(35,976)
Other Operating Receipts	53,626	0	53,626
Customer Deposits Received	69,482	0	69,482
Customer Deposits Returned	(64,493)	0	(64,493)
Net Cash Provided by Operating Activities	<u>1,707,065</u>	<u>48,232</u>	<u>1,755,297</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(2,698,363)	(14,228)	(2,712,591)
Proceeds from General Obligation Notes	3,200,000	0	3,200,000
Principal Paid on General Obligation Notes	(1,100,000)	0	(1,100,000)
Proceeds from the Sale of Fixed Assets	7,656	0	7,656
Principal Paid on General Obligation Bonds	(330,000)	0	(330,000)
Principal Paid on Ohio Public Works Commission Loan	(16,685)	0	(16,685)
Proceeds of Ohio Water Development Authority Loan	1,475,757	0	1,475,757
Principal Paid on Ohio Water Development Authority Loan	(295,995)	0	(295,995)
Interest Paid on All Debt	(604,994)	0	(604,994)
Net Cash Used for Capital and Related Financing Activities	<u>(362,624)</u>	<u>(14,228)</u>	<u>(376,852)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	79,909	3,981	83,890
Purchase of Investments	(2,152,049)	(23,374)	(2,175,423)
Sale of Investments	452,283	0	452,283
Net Cash Used by Investing Activities	<u>(1,619,857)</u>	<u>(19,393)</u>	<u>(1,639,250)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(275,416)	14,611	(260,805)
Cash and Cash Equivalents at Beginning of Year	1,940,854	263,989	2,204,843
Cash and Cash Equivalents at End of Year	<u>\$1,665,438</u>	<u>\$278,600</u>	<u>\$1,944,038</u>
<u>Reconciliation of Cash and</u>			
<u> Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$1,473,608	\$278,600	\$1,752,208
Restricted Cash and Cash Equivalents	164,934	0	164,934
Restricted Cash with Fiscal Agent	26,896	0	26,896
Cash and Cash Equivalents at End of Year	<u>\$1,665,438</u>	<u>\$278,600</u>	<u>\$1,944,038</u>

(Continued)

**THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$411,619	\$15,154	\$426,773
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,302,921	10,773	1,313,694
Nonoperating Revenue	52,205	0	52,205
Nonoperating Expenses	(22,615)	0	(22,615)
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(167,366)	901	(166,465)
Increase in Due from Other Funds	(28)	(1,376)	(1,404)
Decrease in Intergovernmental Receivables	0	15,077	15,077
Increase in Inventory	(26,737)	(23,969)	(50,706)
Decrease in Prepaid Items	1,049	230	1,279
Increase in Accounts Payable	191,836	28,347	220,183
Decrease in Accrued Wages and Benefits	(17,193)	(3,911)	(21,104)
Increase in Due to Other Funds	271	55	326
Increase in Intergovernmental Payable	6,781	2,836	9,617
Decrease in Landfill Closure Costs	(20,219)	0	(20,219)
Increase (Decrease) in Compensated Absences	(10,448)	6,207	(4,241)
Increase in Refundable Deposits Payable	4,989	0	4,989
Decrease in Claims Payable	0	(2,092)	(2,092)
Total Adjustments	<u>1,295,446</u>	<u>33,078</u>	<u>1,328,524</u>
Net Cash Provided by Operating Activities	<u>\$1,707,065</u>	<u>\$48,232</u>	<u>\$1,755,297</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 1999, the Water Fund and the Sewer Fund had outstanding liabilities of \$8,541 and \$107,465, respectively for the purchase of certain capital assets.

The notes to the general purpose financial statements are an integral part of this statement.

CITY OF FAIRBORN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fairborn (the "City") is a home rule municipal corporation created under the laws of the State of Ohio which operates under its own charter. A charter was first adopted by the electors of the Village of Osborn at the general election held in November 1946, effective January 1, 1948. In the November 1948 election, the Village of Osborn voted to annex the Village of Fairfield and to name the newly created entity the Village of Fairborn, effective January 1, 1950. The Village of Fairborn became a city on August 20, 1951. The charter was first adopted by the electorate on November 2, 1971.

The municipal government provided by the charter is known as a Council-Manager form of government. Elected officials include six City Council members and a mayor. The Council appoints a City Manager who executes the laws and administers the government of the City. The City Manager appoints all of the department managers of the City.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary fund. The financial statements are presented as of December 31, 1999 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, cemetery and other governmental services. The City also operates a municipal garage which is reported as an internal service fund. In addition, the City owns and operates the water treatment and distribution system, wastewater treatment and collection system and a solid waste collection operation which are reported as enterprise funds. Council and the City Manager have direct responsibility for these activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Funds - are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's Governmental fund types:

General Fund - This fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Special Revenue Funds - These funds are limited by state and/or federal law for the financing of certain governmental functions (other than amounts relating to expendable trusts or major capital projects). Revenues are legally restricted to expenditure for specific purposes.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

The proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. The following are the City's proprietary fund types:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The only fiduciary fund of the City is an agency fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to establish accounting control and accountability for all general fixed assets of the City not related to the proprietary funds.

General Long-Term Obligations Account Group - This account group is used to account for all unmatured general long-term indebtedness of the City that is not a liability of the proprietary funds, including special assessment debt for which the City is obligated in some manner.

C. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, franchise fees and income tax withheld by employers.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when incurred, if measurable. Unbilled utility service charges receivable are recognized as revenue at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations by department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the department level by fund may only be made by ordinance of the City Council. During 1999, all appropriations were approved as required.

1. Tax Budget

The City Manager submits an annual tax budget by July 15, for the subsequent fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)2. Estimated Resources (Continued)

The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued for 1999.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund and department level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified by the County Budget Commission. The City Manager is authorized to transfer appropriations between line items within the same department, within the same fund provided total appropriations for each department do not exceed the amount approved by City Council. All other modifications may only be made by ordinance of City Council. During the year supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (non-GAAP budgetary basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and need not be reappropriated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	\$239,120	(\$137,525)	(\$54,759)	\$582,690
Increase (Decrease):				
Accrued Revenues at December 31, 1999 received during 2000	(849,586)	(84,252)	(8,448)	(66,982)
Accrued Revenues at December 31, 1998 received during 1999	1,024,169	213,679	8,674	48,314
Accrued Expenditures at December 31, 1999 paid during 2000	575,788	277,909	494	57,633
Accrued Expenditures at December 31, 1998 paid during 1999	(724,693)	(126,448)	0	(22,877)
1998 Prepays for 1999	40,484	3,388	0	0
1999 Prepays for 2000	(41,180)	(3,083)	0	0
Note Proceeds	0	0	0	57,538
Note Retirements	(35,000)	0	0	(32,499)
Outstanding Encumbrances	(494,223)	(361,491)	(32)	(181,660)
Budget Basis	<u>(\$265,121)</u>	<u>(\$217,823)</u>	<u>(\$54,071)</u>	<u>\$442,157</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and deposited in a central bank account or invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pool of cash and investments is presented as "cash and cash equivalents" on the combined balance sheet.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet the City's cash management pool and investments with original maturities of three months or less are considered to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

The City has invested funds in the STAR Ohio during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999. See Note 4, "Cash, Cash Equivalents and Investments."

G. Inventory of Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at cost or market whichever is lower. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Restricted Assets

Restricted assets in the enterprise funds represent cash and cash equivalents set aside for the repayment of deposits to water, sewer and sanitation customers.

J. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use.

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Fund

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction, and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 1999, interest costs incurred on construction projects in proprietary funds were not material.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	45
Sewer/Water Lines	30
Equipment	5 - 30
Vehicles	6

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

The criteria for determining the vacation, compensatory time and sick leave liability are derived from negotiated agreements and state laws. City employees earn vacation leave at varying rates based upon length of service. Accumulated, unused vacation time is paid to employees upon termination of employment. Sick leave benefits are earned at varying rates based on whether the employee is union or non-union. Upon retirement employees are paid for any unused accumulated sick leave up to various limits depending upon the union agreement that applies.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, special termination benefits and landfill postclosure costs are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than 30 days after year end are generally considered not to have been paid with current available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Accrued Liabilities and Long-Term Debt (Continued)

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Bond Retirement Debt Service Fund and from the enterprise funds which utilized the proceeds of the debt.
Special Assessment Bonds	Bond Retirement Debt Service Fund
Compensated Absences	Paid from the fund(s) from which the employee's salary is paid.
Ohio Water Development Authority Loans	Sewer Enterprise Fund
Ohio Public Works Commission Loan	Water Enterprise Fund
Intergovernmental Payable (4th Quarter Pension Payment)	Paid from the fund(s) from which the employee's salary is paid.

M. Contributed Capital

Contributed capital represents resources from other funds, federal and state grants, other governments and private sources provided to the City's proprietary funds which are not subject to repayment.

Because the City, prior to 1988, had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1988 cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

N. Reservations of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure, or the portion of fund balance that is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies and materials, prepaid items, debt service and encumbered amounts that have not been accrued at year end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

P. Interfund Receivables/Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due From Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivables/Payables."

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally in Governmental funds by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Q. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. The City did not perform any residual equity transfers during the year. All remaining interfund transfers are reported as operating transfers.

R. Self-Insurance Fund

The City maintains a Self-Insurance Internal Service Fund for the purpose of paying employee dental bills. Contributions to the fund are made in lieu of insurance premium payments.

S. Total Columns on Combined Financial Statements

Total columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - PRIOR PERIOD ADJUSTMENT

The City installed a new fixed asset accounting software application during 1999. During the conversion of the old fixed asset data to the new system, it was determined that \$956,849 of general fixed asset infrastructure had been included in the old fixed asset data in error. In addition, certain land improvements were added to the general fixed asset account group, which had not been included in the past resulting in a net decrease to the general fixed assets of \$869,744. The balance of the General Fixed Assets Account Group at December 31, 1998 has been restated from amounts previously reported to remove certain infrastructure fixed assets and include certain land improvements which had not been included in the past. The restatement resulted in a decrease to the December 31, 1998 general fixed asset balance in the amount of \$869,744.

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equities

At December 31, 1999 the following funds had a deficit in Fund Balance/Retained Earnings:

	<u>Fund Deficit</u>
Special Revenue Fund:	
Community Development Fund	(\$73,390)
Enterprise Fund:	
Sewer Fund	(1,306,640)

The fund deficit in the Community Development Fund (special revenue fund) is a result of the City spending money in anticipation of grant fund reimbursements which were not forthcoming until 2000. The City plans to limit future spending and/or advance money to this fund to eliminate the deficit balance.

The deficit in the Sewer Fund (enterprise fund) is the result of recognizing expenses on the accrual basis, which results in expenses greater than those on the cash basis. Once again, operating transfers are made when cash is required, not when accruals occur.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 1999, expenditures exceeded appropriations at the department level (i.e., the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Excess</u>
Special Revenue Fund:	
Law Enforcement Trust Fund:	
Security of Persons and Property:	
D.A.R.E. Program	\$28

The excess expenditure was funded from available fund balance.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's investment policy classifies monies held by the City into three categories as allowed by its charter.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim moneys may be deposited or invested in the following securities:

- Negotiable direct obligations of the U.S. or obligations issued by Federal agencies the principal and interest of which are unconditionally guaranteed by the United States.
- Obligations of Federal agencies and instrumentalities, whether or not they are guaranteed by the United States, including, but not limited to, obligations of the Government National Mortgage Association (GNMA), Small Business Administration (SBA), Federal Housing Administration (FHA), General Services Administration (GSA), Federal National Mortgage Association, (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Marketing Association (SLMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Banks (FFCB) and Export Import Bank.
- Bonds, notes, debentures, or other obligations or securities issued by any Federal government agency.
- Non-negotiable and negotiable interest bearing time certificates of deposit and savings accounts.
- Bankers acceptances issued by institutions ranked nationally as being in the top six assets and deposit size within their industry.
- Repurchase agreements only if a Master Repurchase Agreement has been executed between the financial institution or dealer and the City, and the underlying securities conform to authorized instruments in a bank or savings and loan association organized under the laws of the State.
- Commercial paper and corporate bonds provided that such notes are rated "prime" P- I by Moody's Investors Service and A-1 by Standard Poor's and Commercial notes of any United States company provided that such notes are rated AAA by either Moody's Investors Service or Standard Poor's using the rating scale for corporate notes and bonds.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Money market fund portfolios consisting of the items listed above.

- The State Treasurer's investment pool (STAR Ohio).
- NOW Accounts, Super NOW Accounts or any other similar accounts authorized by the Federal Reserve's Depository Institutions' Deregulation Committee.

Investments in stripped principal or interest obligations and reverse repurchase agreements are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. The City will not directly invest in securities with a projected average life of more than five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held until maturity.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

At year end, the carrying amount of the City’s deposits was \$659,140 and the bank balance was \$948,251. Of the bank balance, \$100,000 was covered by federal deposit insurance and \$848,251 was covered by collateral held by financial institutions, not in the City's name, as specified by Section 135.81 of the Ohio Revised Code. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation. In addition, the City had \$3,225 undeposited cash on hand which is included on the balance sheet of the City as part of “Cash and Cash Equivalents”.

B. Investments

The City’s investments at December 31, 1999 are summarized below:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Notes	\$0	\$485,400	\$485,400
Federal Home Loan Bank Notes	0	3,957,943	3,957,943
Federal National			
Mortgage Association Notes	0	2,843,749	2,843,749
Discount Commercial Paper	0	1,005,967	1,005,967
City's Debt	296,460	0	296,460
Total Categorized Investments	296,460	8,293,059	8,589,519
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	4,250,958
Total Non-Categorized Investments	N/A	N/A	4,250,958
Total Investments	\$296,460	\$8,293,059	\$12,840,477

STAR Ohio, an investment pool operated by the Ohio State Treasurer is unclassified since they are not evidenced by securities that exist in physical or book entry form.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Repurchase agreements, treasury bills and certificates of deposit with an original maturity of three months or less are treated as cash and cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note is based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$4,910,098	\$8,589,519
Investments:		
STAR Ohio	(4,250,958)	4,250,958
Per GASB Statement No. 3	\$659,140	\$12,840,477

* Includes Cash with Fiscal Agent.

NOTE 5 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20 unless extended.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values listed on December 31 of the prior year, and at tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairborn. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 1999, was \$9.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1998 property tax levy were based are as follows:

Real Property Assessed Valuation	\$429,132,780
Public Utility Real Property Assessed Valuation	21,750,640
Tangible Personal Property Assessed Valuation	28,479,115
Less: Exemptions	(89,344,780)
Total	<u>\$390,017,755</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 5 – TAXES (Continued)

B. Income Tax

The City levies a municipal income tax of one percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City, however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City’s current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by City Council. In 1999, the proceeds were allocated to the General Fund and the Buildings and Land Fund.

NOTE 6 – RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, interfund receivables, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, interest on investments, and utility accounts. All receivables are considered fully collectible.

By statute, local property taxes have been reduced 10 percent, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be approximately \$236,292, will be paid to the City by the State of Ohio in the latter part of 1999.

NOTE 7 – FIXED ASSETS

A. General Fixed Assets

Changes in general fixed assets during the year ended December 31, 1999, were as follows:

Category	December 31,			December 31,
	1998 Restated	Additions	Deletions	
Land	\$1,809,695	\$0	\$0	\$1,809,695
Buildings and Improvements	4,749,093	59,832	0	4,808,925
Machinery and Equipment	5,415,948	209,017	0	5,624,965
Vehicles	2,962,692	300,307	(38,994)	3,224,005
Construction-In-Progress	63,129	0	0	63,129
Totals	\$15,000,557	\$569,156	(\$38,994)	\$15,530,719

NOTE 7 – FIXED ASSETS (Continued)

B. Proprietary Fixed Assets

Summary by category at December 31, 1999:

Category	Enterprise	Internal Service	Totals
Land	\$400,762	\$0	\$400,762
Buildings	13,559,799	987	13,560,786
Equipment	3,828,099	175,559	4,003,658
Vehicles	923,406	7,575	930,981
Infrastructure	15,597,626	0	15,597,626
Subtotal	34,309,692	184,121	34,493,813
LESS: Accumulated Depreciation	(14,737,235)	(105,653)	(14,842,888)
Subtotal	19,572,457	78,468	19,650,925
Construction In Progress	268,407	0	268,407
Total	<u>\$19,840,864</u>	<u>\$78,468</u>	<u>\$19,919,332</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$839,506, \$777,379 and \$744,373, respectively, which were equal to the required contributions for each year.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)**

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$260,216.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$456,840, \$413,186 and \$403,080 for police and \$585,908, \$539,717 and \$521,552 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$163,994 representing 7.00% of covered payroll for police and \$170,890 representing 7.00% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 9 – OTHER EMPLOYEE BENEFITS**A. Compensated Absences**

All full-time City employees earn vacation at varying rates based upon the employee's years of service. Employees are allowed to carry over up to two years of accumulated vacation. Upon separation from the City, the employee (or his estate) receives 100% of all vacation. Employees earn sick leave at a rate of 1.25 days per month of work completed. Upon retirement, and in certain instances, termination, an individual will be compensated for their accumulated sick leave at a maximum rate of one-third of the balance provided they meet minimum accumulated sick leave hours ranging from 480 to 720 hours and do not to exceed varying maximums ranging from 1,200 to 1,800 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees expected to become eligible in the future to receive such payments.

NOTE 9 – OTHER EMPLOYEE BENEFITS (Continued)

A. Compensated Absences (Continued)

At December 31, 1999, the total accumulated unpaid sick, vacation and compensatory time recorded in the General Long-Term Obligations Account Group was as follows:

	Hours	Amount
Sick Leave	43,253	\$294,430
Vacation Time	28,395	550,993
Compensatory Time	1,258	24,409
Total	<u>72,906</u>	<u>\$869,832</u>

The portion attributable to the Enterprise Funds has been recorded within the respective fund and is not included in the figures presented above.

B. Medical, Dental and Life Insurance Benefits

The City provides medical, dental and life insurance benefits for all full time employees. The Police and Fire personnel, which includes the FOP union, IAFF union and Police Dispatchers' union, can select one of two medical plans, United Health Care or Anthem Blue Cross HMP. The City also provides life insurance through American Mutual Life Insurance Company in the amount of \$25,000 for police and fire personnel.

AFSCME union personnel medical insurance was contracted with Anthem Blue Cross and Blue Shield to provide the Community Choice Plan. The City also provides life, accidental death and dismemberment vision, and hearing aid insurance for these employees through Ohio AFSCME Care Plan. The life insurance pay-out is based on their hourly wage with minimum and maximum of \$10,000 and \$16,000, respectively.

Non-union personnel medical insurance was provided by Anthem Blue Cross and Blue Shield. Dental insurance for non-union personnel was provided by the City's self-insurance program. The City also provides life insurance through American Mutual Life Insurance Company in the amount of \$25,000 for management and \$20,000 for all other employees.

NOTE 10 – LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

Date Purchased	Interest Rate	Description	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
Enterprise Funds:					
General Obligation Bonds:					
1977	6.375%	Waterworks System Improvement	\$240,000	(\$80,000)	\$160,000
1976	7.000%	Sewer System Improvements	100,000	(50,000)	50,000
1991	5.50 - 7.00%	Utility Improvement - Water	2,015,000	(100,000)	1,915,000
1991	5.50 - 7.00%	Utility Improvement - Sewer	2,015,000	(100,000)	1,915,000
Total General Obligation Bonds			4,370,000	(330,000)	4,040,000
Ohio Water Development Authority Loans (OWDA):					
1978	5.500%	OWDA Loan	42,291	(42,291)	0
1986	8.970%	OWDA Loan	829,062	(41,238)	787,824
1992	5.200%	OWDA Loan	2,012,383	(100,788)	1,911,595
1993	3.540%	OWDA Loan	143,626	(12,573)	131,053
1996	3.910%	OWDA Loan	189,299	1,475,757	0
1996	3.910%	OWDA Loan	0	(99,105)	1,565,951
Total Ohio Water Development Authority Loans			3,216,661	1,179,762	4,396,423
Ohio Public Works Commission Loan			283,652	(16,685)	266,967
Landfill Closure and Postclosure Care Costs			404,380	(20,219)	384,161
Total Enterprise Long-Term Debt			\$8,274,693	\$812,858	\$9,087,551
General Long-Term Debt:					
General Obligation Bonds					
1977	6.375%	Safety Department Improvement	\$70,000	(\$70,000)	\$0
1977	6.375%	Maple Avenue Overpass	105,000	(35,000)	70,000
1991	Various	Fairborn Library	1,380,000	(65,000)	1,315,000
1998	Various	Police/Fire Dispatch	580,000	(55,000)	525,000
1999	Various	Downtown Revitalization	0	200,000	200,000
1999	Various	Street Improvement	0	250,000	250,000
Total General Obligation Bonds			2,135,000	225,000	2,360,000
Special Assessment Bonds					
1981	9.250%	Water and Sewer Improvement	520,000	(70,000)	450,000
1981	9.250%	Street and Sewer Improvement	20,000	(10,000)	10,000
1983	11.625%	Five Point II Street Improvement	12,000	(3,000)	9,000
1986	8.750%	Water System Improvement	21,000	(3,000)	18,000
1988	7.190%	Street Improvement	750,000	(75,000)	675,000
1998	5.150%	Commerce Center/Channingway Drive	1,160,000	(35,000)	1,125,000
Total Special Assessment Bonds (with Governmental Commitment)			2,483,000	(196,000)	2,287,000
Other Long-Term Obligations:					
Compensated Absences			734,790	135,042	869,832
Intergovernmental Payables			370,684	80,526	451,210
Total Other Long-Term Obligations			1,105,474	215,568	1,321,042
Total General Long-Term Debt and Other Long-Term Obligations			\$5,723,474	\$244,568	\$5,968,042

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment bonds outstanding at December 31, 1999, \$2,287,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The voted general obligation bond issues will be paid through the Bond Retirement Debt Service Fund from property tax revenue.

Enterprise Funds' bonds payable are general obligation bonds paid from operating revenues of the enterprise operation for which the improvements were made.

The OWDA loans payable represents amounts borrowed from the Ohio Water Development Authority for the construction of water system improvements to the water reclamation center, part of the Sewer Enterprise Fund. The loans will be paid from Sewer Enterprise Fund revenue.

As of December 31, 1999, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$41,913,321. Principal and interest requirements to retire the City's outstanding obligations at December 31, 1999, were:

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 1999 follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2000	\$567,000	\$408,687	\$201,000	\$153,659
2001	533,000	373,424	196,000	137,983
2002	450,000	338,575	196,000	122,900
2003	482,000	308,785	193,000	107,741
2004	508,000	276,673	198,000	92,855
2005-2009	2,685,000	849,830	633,000	277,411
2010-2018	1,175,000	80,535	670,000	186,429
Totals	\$6,400,000	\$2,636,509	\$2,287,000	\$1,078,978

Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
2000	\$267,063	\$248,478	\$16,686	\$0
2001	281,224	234,327	16,685	0
2002	296,210	219,342	16,686	0
2003	312,083	203,469	16,685	0
2004	328,903	186,649	16,686	0
2005-2009	1,912,425	637,927	83,427	0
2010-2018	998,515	103,899	100,112	0
Totals	\$4,396,423	\$1,834,091	\$266,967	\$0

NOTE 11 – NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Balance December 31, 1998	Issued	(Retired)	Balance December 31, 1999
General Obligation Notes:				
5.00% Finance Computer Note	\$35,000	\$0	(\$35,000)	\$0
5.00% Parks and Recreation Note	15,000	0	(15,000)	0
3.75% Water Reclamation Note (1)	1,000,000	0	(1,000,000)	0
3.75% Water Reclamation Note (2)	100,000	0	(100,000)	0
3.85% Water Reclamation Note (1)	0	1,100,000	0	1,100,000
3.87% Water Improvement Note	0	2,100,000	0	2,100,000
Subtotal General Obligation Notes	<u>1,150,000</u>	<u>3,200,000</u>	<u>(1,150,000)</u>	<u>3,200,000</u>
Special Assessment Notes:				
(with Governmental Commitment)				
5.00% Curb and Sidewalk - 1998	17,647	0	(8,823)	8,824
5.00% Curb and Sidewalk - 1998	6,907	0	(2,302)	4,605
5.00% Curb and Sidewalk - 1998	31,869	0	(6,374)	25,495
5.00% Curb and Sidewalk - 1999	0	57,538	0	57,538
Subtotal Special Assessment Notes	<u>56,423</u>	<u>57,538</u>	<u>(17,499)</u>	<u>96,462</u>
Total All Notes	<u>\$1,206,423</u>	<u>\$3,257,538</u>	<u>(\$1,167,499)</u>	<u>\$3,296,462</u>

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 1999, the City participated in the Public Entities Pool of Ohio (PEP), established as a risk sharing self insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. PEP is a corporation governed by a seven member board of directors, consisting of representatives elected by the 230 participating governments.

NOTE 12 – RISK MANAGEMENT (Continued)

The City pays an annual premium to the PEP. The agreement provides that the PEP will be self-sustaining through member premiums and excess insurance. The types of coverages and deductibles per occurrence are as follows:

Type of Coverage	Coverage	Deductible
Municipal General Liability	\$2,000,000	\$0
Public Official	2,000,000	5,000
Municipal Automobile Liability	2,000,000	0
Municipal Automobile Physical Damage	2,000,000	500 - 1,000
Police Professional Liability	2,000,000	3,000

The Pool retains general, automobile, police professional and public official’s liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$2,000,000 in aggregate per year.

Automobile physical damage risks are retained by the Pool up to \$25,000 for each accident and location. Reinsurance coverage is provided at different levels depending on the type of vehicle.

All property risks, which include physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully reinsured. Property risks up to \$25,000 are reinsured on an individual-member basis.

The City has contracted with the Cincinnati Insurance Company to provide boiler and machinery coverage. The deductible is \$2,500.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant changes in coverage from last year.

The City pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City maintains a self-insurance program for employee dental benefits. The claims liability of \$917 reported at December 31, 1999, as estimated through reviewing actual claims filed in the first few months of the year by the third party administrator, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund’s claims liability amount in 1999 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
1998	\$4,063	\$35,432	(\$36,486)	\$3,009
1999	3,009	33,884	(35,976)	917

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill placed its final cover in 1989. The \$384,161 reported as landfill postclosure care liability in the Sanitation Enterprise Fund at December 31, 1999, represents the cumulative amount reported to date based on the estimated cost of maintenance and monitoring through 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. Financial assurances may take the form of a financial test and corporate guarantee.

NOTE 14 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfers In	Transfers Out
General Fund	\$53,636	\$782,019
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	0	8,500
State Highway	0	5,000
Cemetery	45,000	3,000
Street Lighting	130,000	0
County Motor Vehicle License Tax	0	65,000
Law Enforcement Fund	0	1,027
Drug Law Enforcement	0	12,800
Federal Forfeitures	1,027	0
Fairborn School Tax Sharing	37,066	0
Total Special Revenue Funds	213,093	95,327
Debt Service Fund:		
General Obligation Debt Service Fund	18,000	25,000
Capital Projects Funds:		
Issue II Improvement	65,000	0
Municipal Court Improvement	0	40,836
General Capital Improvement	449,481	0
Buildings and Land Fund	161,972	0
Special Assessment Construction Fund	0	18,000
Total Capital Projects Funds	676,453	58,836
Totals	\$961,182	\$961,182

NOTE 15 – INTERFUND ASSETS AND LIABILITIES

Individual fund interfund receivable and payable balances at December 31, 1999, were as follows:

	Assets		Liabilities	
	Due From Other Funds	Interfund Receivable	Due To Other Funds	Interfund Payable
General Fund	\$86,019	\$67,009	\$6,723	\$0
Special Revenue Funds:				
Street Maintenance and Repair	0	0	723	0
State Highway	0	0	39	0
Cemetery	0	0	32	0
Community Development	0	0	73	67,009
Victim Witness	1,690	0	0	0
Drug Law Enforcement	5	0	0	0
Indigent Drivers Alcohol Treatment	804	0	0	0
Alcohol Enforcement and Education	333	0	0	0
Municipal Probation Services	3,452	0	0	0
Total Special Revenue Funds	6,284	0	867	67,009
Capital Project Funds:				
Municipal Court Improvement	11,851	0	0	0
Court Special Projects Fund	10,440	0	0	0
Total Capital Project Funds	22,291	0	0	0
Enterprise Funds:				
Water	0	0	695	0
Sewer	884	0	628	0
Sanitation	0	0	190	0
Total Enterprise Funds	884	0	1,513	0
Internal Service Fund:				
Equipment	8,353	0	134	0
Agency Fund:				
Municipal Court	0	0	114,594	0
Total All Funds	\$123,831	\$67,009	\$123,831	\$67,009

NOTE 16 – CONSTRUCTION COMMITMENTS

As of December 31, 1999, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Spangler Road Sewer Improvement	\$39,176	6/1/00
Pleasantview Drainage Project	9,972	6/1/00
Central Park Improvement	369	3/1/00
Wastewater Bio-solids Improvement	6,272	6/30/00
Total	\$55,789	

NOTE 17 – SEGMENT INFORMATION

The City's enterprise funds account for the provision of water, sewer, and garbage collection services. Key financial information as of and for the year ended December 31, 1999, for each enterprise fund is as follows:

	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>For the Year Ended December 31, 1999</u>				
Operating Revenues	\$2,289,349	\$3,660,253	\$1,755,253	\$7,704,855
Depreciation Expense	596,889	703,890	2,142	1,302,921
Operating Income	204,377	104,921	102,321	411,619
Net Non-operating Revenues (Expenses)	(22,615)	52,205	0	29,590
Net Income/(Loss)	30,815	570	102,321	133,706
Property, Plant and Equipment:				
Additions	205,889	2,385,587	5,000	2,596,476
Current Capital Contributions	0	0	0	0
<u>As of December 31, 1999</u>				
Total Assets	12,182,292	13,909,474	1,258,835	27,350,601
Net Working Capital	1,643,994	918,824	833,218	3,396,036
General Obligation Bonds	2,075,000	1,965,000	0	4,040,000
Ohio Water Development				
Authority Loans	0	4,396,423	0	4,396,423
Ohio Public Works				
Commission Loan	266,967	0	0	266,967
Total Equity	7,461,052	6,007,421	534,309	14,002,782

NOTE 18 – CONTRIBUTED CAPITAL

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Contributed capital in the Water and Sewer Enterprise Funds primarily results from assets contributed by developers.

There was no change to contributed capital during 1999. A schedule of contributed capital is presented below:

	Water Fund	Sewer Fund	Total
Contributed Capital December 31, 1999	<u>\$6,598,008</u>	<u>\$7,314,061</u>	<u>\$13,912,069</u>

NOTE 19 – CONTINGENT LIABILITIES

A. Litigation

The City of Fairborn is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Federal and State Grants

For the period January 1, 1999, to December 31, 1999, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 20 – SUBSEQUENT EVENT

The City, along with others, has been informed that it has been named as a defendant in a wrongful death lawsuit. Due to the lawsuit being recently filed, no determination on the potential outcome or monetary damages, if any, can be made at this time, nor may the City be found to be responsible as the case proceeds.



*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE
GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS FUNDS,
ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUND AND
THE GENERAL FIXED ASSETS ACCOUNT GROUP*

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property Taxes	\$2,202,865	\$2,168,391	(\$34,474)
Municipal Income Taxes	5,498,846	5,530,576	31,730
Intergovernmental Revenues	2,611,023	2,656,321	45,298
Charges for Services	2,513,643	2,524,277	10,634
Licenses and Permits	314,355	321,738	7,383
Investment Earnings	564,909	528,518	(36,391)
Fines and Forfeitures	1,174,949	1,193,788	18,839
All Other Revenues	203,364	190,752	(12,612)
Total Revenues	15,083,954	15,114,361	30,407
Expenditures:			
Current:			
Security of Persons and Property:			
Police Law Enforcement			
Personal Services	3,915,524	3,843,943	71,581
Other Expenditures	638,557	542,019	96,538
Fire Prevention and Control			
Personal Services	3,354,322	3,354,242	80
Other Expenditures	295,249	291,706	3,543
Total Security of Persons and Property	8,203,652	8,031,910	171,742
Public Health and Welfare Services:			
Other Expenditures	67,911	67,886	25
Total Public Health Services	67,911	67,886	25
Leisure Time Activities:			
Recreation Programs			
Personal Services	74,172	73,998	174
Other Expenditures	104,778	99,983	4,795
Total Leisure Time Activities	178,950	173,981	4,969
Community Environment:			
Urban Planner			
Personal Services	182,076	182,072	4
Other Expenditures	19,219	18,484	735
Building Inspection			
Personal Services	240,146	240,145	1
Other Expenditures	37,945	34,608	3,337
Total Community Environment	479,386	475,309	4,077

(Continued)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government:			
City Manager			
Personal Services	311,936	308,637	3,299
Other Expenditures	16,054	13,745	2,309
Council			
Personal Services	31,944	31,936	8
Other Expenditures	43,610	43,473	137
Municipal Court			
Personal Services	1,018,955	1,014,485	4,470
Other Expenditures	252,826	192,792	60,034
Finance			
Personal Services	872,944	867,250	5,694
Other Expenditures	307,594	279,925	27,669
Solicitor			
Personal Services	121,859	121,588	271
Other Expenditures	88,594	87,467	1,127
Personnel			
Personal Services	110,176	110,084	92
Other Expenditures	31,617	30,700	917
Engineering and Drafting			
Personal Services	241,172	238,435	2,737
Other Expenditures	48,700	43,933	4,767
Public Works Director			
Personal Services	83,297	83,271	26
Other Expenditures	3,850	3,770	80
Plant Maintenance			
Personal Services	333,725	333,491	234
Other Expenditures	149,383	141,981	7,402
Audio Visual			
Personal Services	39,701	39,660	41
Other Expenditures	6,974	6,914	60
Other General Government			
Other Expenditures	1,182,860	1,157,067	25,793
Total General Government	<u>5,297,771</u>	<u>5,150,604</u>	<u>147,167</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Capital Outlay	748,939	722,852	26,087
Debt Service:			
Principal Retirement	35,000	35,000	0
Interest and Fiscal Charges	1,750	1,750	0
Total Expenditures	15,013,359	14,659,292	354,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,595	455,069	384,474
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	9,000	8,193	(807)
Operating Transfers In	48,597	53,636	5,039
Operating Transfers Out	(786,953)	(782,019)	4,934
Total Other Financing Sources (Uses)	(729,356)	(720,190)	9,166
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(658,761)	(265,121)	393,640
Fund Balance at Beginning of Year	3,417,513	3,417,513	0
Prior Years Encumbrances Appropriated	347,066	347,066	0
Fund Balance at End of Year	\$3,105,818	\$3,499,458	\$393,640

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Maintenance and Repair Fund

To account for gasoline tax and motor vehicle license fees remitted to the City for routine street maintenance of city streets.

State Highway Fund

To account for gasoline tax and motor vehicle license fees used for routine state highways within the City.

Cemetery Fund

To account for revenues received from the sale of lots, charges for burial service and foundations and transfers to operate and maintain the City cemetery.

Community Development Fund

To account for monies received from the federal government under the Community Development Block Grant program.

Victim Witness Fund

To account for grant money received from the State of Ohio.

Street Lighting Fund

To account for voted tax millage and transfers from the general fund to provide street lighting within the City.

County Motor Vehicle License Tax Fund

To account for permissive license tax received from the County for a project approved by the county engineer, or transfers to finance the project until completion whereupon reimbursement will be received.

Law Enforcement Trust Fund

To account for fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of the confiscated contraband.

(Continued)

SPECIAL REVENUE FUNDS

Drug Law Enforcement Fund

To account for donations from interested civic groups and fines generated from the prosecution of illegal drug usage and sales.

City Motor Vehicle License Tax Fund

To account for permissive license tax received from the State to finance various street projects.

Indigent Drivers Alcohol Treatment Fund

To account for fines imposed by the Municipal Court for the purpose of paying the costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

Alcohol Enforcement and Education Fund

To account for fines imposed by the Municipal Court for the purpose of educating the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

Federal Forfeitures Fund

To account for proceeds from federal forfeitures received by the Fairborn Police Department pursuant to Section 2933.43 of the Ohio Revised Code. The revenue is used for law enforcement purposes only, excluding salaries. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Fairborn School Tax Sharing Fund

To account for income tax collected from Roberd's employees at its distribution facility that the City matches and remits to the Fairborn City School District. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Damage Repair Fund

To account for the expenditure of funds to repair damage to City property.

Municipal Probation Services Fund

To account for the monies received from fines levied and expenditures by the Probations Officers.

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Assets:					
Cash and Cash Equivalents	\$205,186	\$24,265	\$25,453	\$0	\$23,287
Receivables (net of allowances for doubtful accounts)					
Taxes	0	0	0	0	0
Accounts	1,736	0	0	0	0
Due from Other Funds	0	0	0	0	1,690
Intergovernmental Receivables	54,838	4,446	0	0	0
Inventory of Supplies at Cost	64,812	0	0	0	0
Prepaid Items	2,554	243	286	0	0
Total Assets	\$329,126	\$28,954	\$25,739	\$0	\$24,977
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$6,771	\$1,813	\$211	\$3,438	\$212
Accrued Wages and Benefits	14,099	1,453	2,023	2,577	3,056
Due to Other Funds	723	39	32	73	0
Interfund Payable	0	0	0	67,009	0
Intergovernmental Payables	1,685	174	233	293	365
Deferred Revenue	0	0	0	0	0
Total Liabilities	23,278	3,479	2,499	73,390	3,633
Fund Equity:					
Reserved for Encumbrances	10,763	659	48	70,809	699
Reserved for Supplies Inventory	64,812	0	0	0	0
Reserved for Prepaid Items	2,554	243	286	0	0
Unreserved	227,719	24,573	22,906	(144,199)	20,645
Total Fund Equity	305,848	25,475	23,240	(73,390)	21,344
Total Liabilities and Fund Equity	\$329,126	\$28,954	\$25,739	\$0	\$24,977

**THE CITY OF FAIRBORN, OHIO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 DECEMBER 31, 1999**

Street Lighting	County Motor Vehicle License Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment
\$231,707	\$39,554	\$6,846	\$4,912	\$13,665	\$175,595
146,888	0	0	0	0	0
0	0	0	0	0	0
0	0	0	5	0	804
0	4,811	0	210	9,624	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$378,595</u>	<u>\$44,365</u>	<u>\$6,846</u>	<u>\$5,127</u>	<u>\$23,289</u>	<u>\$176,399</u>
\$233,750	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
144,585	0	0	0	0	0
<u>378,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	11,411	2,729	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
260	32,954	4,117	5,127	23,289	176,399
<u>260</u>	<u>44,365</u>	<u>6,846</u>	<u>5,127</u>	<u>23,289</u>	<u>176,399</u>
<u>\$378,595</u>	<u>\$44,365</u>	<u>\$6,846</u>	<u>\$5,127</u>	<u>\$23,289</u>	<u>\$176,399</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	Alcohol Enforcement and Education	Damage Repair	Municipal Probation Services	Totals
Assets:				
Cash and Cash Equivalents	\$12,348	\$302,610	\$6,935	\$1,072,363
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	146,888
Accounts	0	0	0	1,736
Due from Other Funds	333	0	3,452	6,284
Intergovernmental Receivables	0	0	0	73,929
Inventory of Supplies at Cost	0	0	0	64,812
Prepaid Items	0	0	0	3,083
Total Assets	\$12,681	\$302,610	\$10,387	\$1,369,095
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$4,889	\$0	\$251,084
Accrued Wages and Benefits	0	0	0	23,208
Due to Other Funds	0	0	0	867
Interfund Payable	0	0	0	67,009
Intergovernmental Payables	0	0	0	2,750
Deferred Revenue	0	0	0	144,585
Total Liabilities	0	4,889	0	489,503
Fund Equity:				
Reserved for Encumbrances	0	55,669	0	152,787
Reserved for Supplies Inventory	0	0	0	64,812
Reserved for Prepaid Items	0	0	0	3,083
Unreserved	12,681	242,052	10,387	658,910
Total Fund Equity	12,681	297,721	10,387	879,592
Total Liabilities and Fund Equity	\$12,681	\$302,610	\$10,387	\$1,369,095

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	698,739	56,655	0	626,301	0
Charges for Services	1,736	0	31,592	0	0
Fines and Forfeitures	0	0	0	0	49,072
All Other Revenues	6,761	706	728	123	56,093
Total Revenues	707,236	57,361	32,320	626,424	105,165
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	83,760
Public Health and Welfare Services	0	0	67,996	0	0
Community Environment	0	0	0	485,139	0
Transportation	710,351	56,101	0	0	0
General Government	0	0	0	0	0
Capital Outlay	1,652	3,388	7,530	120,469	2,074
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	712,003	59,489	75,526	605,608	85,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,767)	(2,128)	(43,206)	20,816	19,331
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	110	0	0	0	0
Proceeds from General Obligation Notes	0	0	0	0	0
Operating Transfers In	0	0	45,000	0	0
Operating Transfers Out	(8,500)	(5,000)	(3,000)	0	0
Total Other Financing Sources (Uses)	(8,390)	(5,000)	42,000	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,157)	(7,128)	(1,206)	20,816	19,331
Fund Balance (Deficit) at Beginning of Year	292,930	32,603	24,446	(94,206)	2,013
Increase in Inventory Reserve	26,075	0	0	0	0
Fund Balance (Deficit) at End of Year	\$305,848	\$25,475	\$23,240	(\$73,390)	\$21,344

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Street Lighting	County Motor Vehicle License Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax
Revenues:					
Property Taxes	\$145,227	\$0	\$0	\$0	\$0
Intergovernmental Revenues	13,570	172,736	0	0	128,538
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	205	0
All Other Revenues	0	0	9,186	454	0
Total Revenues	158,797	172,736	9,186	659	128,538
Expenditures:					
Current:					
Security of Persons and Property	518,026	0	8,218	2,337	0
Public Health and Welfare Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Capital Outlay	0	187,145	0	0	129,629
Debt Service:					
Interest and Fiscal Charges	2,525	0	0	0	0
Total Expenditures	520,551	187,145	8,218	2,337	129,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	(361,754)	(14,409)	968	(1,678)	(1,091)
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Proceeds from General Obligation Notes	200,000	0	0	0	0
Operating Transfers In	130,000	0	0	0	0
Operating Transfers Out	0	(65,000)	(1,027)	(12,800)	0
Total Other Financing Sources (Uses)	330,000	(65,000)	(1,027)	(12,800)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,754)	(79,409)	(59)	(14,478)	(1,091)
Fund Balance (Deficit) at Beginning of Year	32,014	123,774	6,905	19,605	24,380
Increase in Inventory Reserve	0	0	0	0	0
Fund Balance (Deficit) at End of Year	\$260	\$44,365	\$6,846	\$5,127	\$23,289

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures	Fairborn School Tax Sharing	Damage Repair	Municipal Probation Services	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$145,227
0	0	0	0	0	0	1,696,539
0	0	0	0	0	0	33,328
23,436	4,332	0	0	0	10,387	87,432
0	0	0	0	38,751	0	112,802
<u>23,436</u>	<u>4,332</u>	<u>0</u>	<u>0</u>	<u>38,751</u>	<u>10,387</u>	<u>2,075,328</u>
0	0	0	0	0	0	612,341
0	0	0	0	0	0	67,996
0	0	0	0	0	0	485,139
0	0	0	0	0	0	766,452
0	0	0	37,066	96,293	0	133,359
0	0	0	0	11,030	0	462,917
0	0	0	0	0	0	2,525
0	0	0	37,066	107,323	0	2,530,729
23,436	4,332	0	(37,066)	(68,572)	10,387	(455,401)
0	0	0	0	0	0	110
0	0	0	0	0	0	200,000
0	0	1,027	37,066	0	0	213,093
0	0	0	0	0	0	(95,327)
0	0	1,027	37,066	0	0	317,876
23,436	4,332	1,027	0	(68,572)	10,387	(137,525)
152,963	8,349	(1,027)	0	366,293	0	991,042
0	0	0	0	0	0	26,075
<u>\$176,399</u>	<u>\$12,681</u>	<u>\$0</u>	<u>\$0</u>	<u>\$297,721</u>	<u>\$10,387</u>	<u>\$879,592</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$694,000	\$697,862	\$3,862
All Other Revenues	8,700	7,029	(1,671)
Total Revenues	702,700	704,891	2,191
Expenditures:			
Current:			
Transportation:			
General Administration			
Personal Services	60,707	60,454	253
Other Expenditures	72,367	69,065	3,302
Total General Administration	133,074	129,519	3,555
Street Resurfacing Projects			
Personal Services	311,095	310,276	819
Other Expenditures	80,142	78,616	1,526
Total Street Resurfacing Projects	391,237	388,892	2,345
Ice and Snow Removal			
Other Expenditures	66,725	66,612	113
Total Ice and Snow Removal	66,725	66,612	113
Traffic Signs and Signals			
Personal Services	81,606	69,320	12,286
Other Expenditures	73,217	72,872	345
Total Traffic Signs and Signals	154,823	142,192	12,631
Total Transportation	745,859	727,215	18,644
Capital Outlay	1,725	1,652	73
Total Expenditures	747,584	728,867	18,717
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,884)	(23,976)	20,908
Other Financing Sources (Uses):			
Proceeds from the Sale of Fixed Assets	500	110	(390)
Operating Transfers Out	(8,500)	(8,500)	0
Total Other Financing Sources (Uses)	(8,000)	(8,390)	(390)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(52,884)	(32,366)	20,518
Fund Balance at Beginning of Year	185,220	185,220	0
Prior Year Encumbrances	39,274	39,274	0
Fund Balance at End of Year	\$171,610	\$192,128	\$20,518

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$55,859	\$56,584	\$725
All Other Revenues	1,050	706	(344)
Total Revenues	56,909	57,290	381
<u>Expenditures:</u>			
Current:			
Transportation:			
State Highway Maintenance			
Personal Services	42,734	42,222	512
Other Expenditures	17,687	16,527	1,160
Total Transportation	60,421	58,749	1,672
Capital Outlay	3,500	1,694	1,806
Total Expenditures	63,921	60,443	3,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,012)	(3,153)	3,859
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(5,000)	(5,000)	0
Total Other Financing Sources (Uses)	(5,000)	(5,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,012)	(8,153)	3,859
Fund Balance at Beginning of Year	28,087	28,087	0
Prior Year Encumbrances	1,861	1,861	0
Fund Balance at End of Year	\$17,936	\$21,795	\$3,859

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

CEMETERY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for Services	\$22,675	\$31,592	\$8,917
All Other Revenues	1,075	728	(347)
Total Revenues	23,750	32,320	8,570
Expenditures:			
Current:			
Public Health and Welfare:			
Cemetery			
Personal Services	53,662	52,960	702
Other Expenditures	16,009	15,042	967
Total Public Health and Welfare	69,671	68,002	1,669
Capital Outlay	9,050	7,530	1,520
Total Expenditures	78,721	75,532	3,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,971)	(43,212)	11,759
Other Financing Sources (Uses):			
Operating Transfers In	45,000	45,000	0
Operating Transfers Out	(3,000)	(3,000)	0
Total Other Financing Sources (Uses)	42,000	42,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,971)	(1,212)	11,759
Fund Balance at Beginning of Year	26,526	26,526	0
Prior Year Encumbrances	44	44	0
Fund Balance at End of Year	\$13,599	\$25,358	\$11,759

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COMMUNITY DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$979,479	\$756,823	(\$222,656)
All Other Revenues	6,400	563	(5,837)
Total Revenues	985,879	757,386	(228,493)
Expenditures:			
Current:			
Community Environment:			
Entitlement Administration			
Personal Services	58,689	53,953	4,736
Other Expenditures	61,743	52,819	8,924
Total Entitlement Administration	120,432	106,772	13,660
Code Enforcement			
Personal Services	28,415	26,942	1,473
Other Expenditures	5,394	2,925	2,469
Total Code Enforcement	33,809	29,867	3,942
CHIP			
Personal Services	11,090	11,073	17
Other Expenditures	127,888	94,324	33,564
Total CHIP	138,978	105,397	33,581
Housing Rehabilitation			
Other Expenditures	112,212	111,947	265
Total Housing Rehabilitation	112,212	111,947	265
Emergency Repair			
Other Expenditures	4,299	3,362	937
Total Emergency Repair	4,299	3,362	937
Public/Private Rehabilitation			
Personal Services	1,142	1,141	1
Other Expenditures	189,933	165,602	24,331
Total Public/Private Rehabilitation	191,075	166,743	24,332
Total Community Environment	600,805	524,088	76,717
Capital Outlay	207,612	206,235	1,377
Total Expenditures	808,417	730,323	78,094
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	177,462	27,063	(150,399)
Fund Deficit at Beginning of Year	(282,667)	(282,667)	0
Prior Year Encumbrances	115,215	115,215	0
Fund Balance (Deficit) at End of Year	\$10,010	(\$140,389)	(\$150,399)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

VICTIM WITNESS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$51,000	\$54,000	\$3,000
Fines and Forfeitures	45,785	49,227	3,442
All Other Revenues	1,280	2,093	813
Total Revenues	<u>98,065</u>	<u>105,320</u>	<u>7,255</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Law Enforcement			
Personal Services	80,392	80,243	149
Other Expenditures	4,806	4,712	94
Total Security of Persons and Property	<u>85,198</u>	<u>84,955</u>	<u>243</u>
Capital Outlay	<u>2,578</u>	<u>2,474</u>	<u>104</u>
Total Expenditures	<u>87,776</u>	<u>87,429</u>	<u>347</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	10,289	17,891	7,602
Fund Balance at Beginning of Year	4,400	4,400	0
Prior Year Encumbrances	117	117	0
Fund Balance at End of Year	<u>\$14,806</u>	<u>\$22,408</u>	<u>\$7,602</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET LIGHTING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property Taxes	\$146,030	\$146,031	\$1
Intergovernmental Revenues	13,570	13,570	0
Total Revenues	159,600	159,601	1
Expenditures:			
Current:			
Security of Persons and Property:			
Street Lighting			
Other Expenditures	511,850	509,332	2,518
Total Security of Persons and Property	511,850	509,332	2,518
Debt Service:			
Interest and Fiscal Charges	2,525	2,525	0
Total Expenditures	514,375	511,857	2,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	(354,775)	(352,256)	2,519
Other Financing Sources (Uses):			
Proceeds of Bonds	200,000	200,000	0
Operating Transfers In	130,000	130,000	0
Total Other Financing Sources (Uses)	330,000	330,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(24,775)	(22,256)	2,519
Fund Balance at Beginning of Year	53,888	53,888	0
Prior Year Encumbrances	575	575	0
Fund Balance at End of Year	\$29,688	\$32,207	\$2,519

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COUNTY MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$308,000	\$172,777	(\$135,223)
Total Revenues	308,000	172,777	(135,223)
<u>Expenditures:</u>			
Current:			
Transportation:			
Street Resurfacing Projects			
Other Expenditures	6,911	6,911	0
Total Transportation	6,911	6,911	0
Capital Outlay	330,175	191,645	138,530
Total Expenditures	337,086	198,556	138,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,086)	(25,779)	3,307
<u>Other Financing Sources (Uses):</u>			
Transfers Out	(65,000)	(65,000)	0
Total Other Financing Sources (Uses)	(65,000)	(65,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(94,086)	(90,779)	3,307
Fund Balance at Beginning of Year	104,336	104,336	0
Prior Year Encumbrances	14,586	14,586	0
Fund Balance at End of Year	\$24,836	\$28,143	\$3,307

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$10,000	\$9,186	(\$814)
Total Revenues	10,000	9,186	(814)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	10,999	11,027	(28)
Total Security of Persons and Property	10,999	11,027	(28)
Capital Outlay	158	158	0
Total Expenditures	11,157	11,185	(28)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,157)	(1,999)	(842)
<u>Other Financing Sources (Uses):</u>			
Transfers Out	(1,027)	(1,027)	0
Total Other Financing Sources (Uses)	(1,027)	(1,027)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,184)	(3,026)	(842)
Fund Balance at Beginning of Year	6,905	6,905	0
Prior Year Encumbrances	184	184	0
Fund Balance at End of Year	\$4,905	\$4,063	(\$842)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DRUG LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
All Other Revenues	\$450	\$454	\$4
Total Revenues	450	454	4
Expenditures:			
Current:			
Security of Persons and Property:			
Drug Law Enforcement			
Other Expenditures	6,601	3,621	2,980
Total Expenditures	6,601	3,621	2,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,151)	(3,167)	2,984
Other Financing Sources (Uses):			
Operating Transfers Out	(12,800)	(12,800)	0
Total Other Financing Sources (Uses)	(12,800)	(12,800)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(18,951)	(15,967)	2,984
Fund Balance at Beginning of Year	19,477	19,477	0
Prior Year Encumbrances	1,402	1,402	0
Fund Balance at End of Year	\$1,928	\$4,912	\$2,984

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

CITY MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$128,000	\$128,620	\$620
Total Revenues	<u>128,000</u>	<u>128,620</u>	<u>620</u>
<u>Expenditures:</u>			
Capital Outlay	129,700	129,629	71
Total Expenditures	<u>129,700</u>	<u>129,629</u>	<u>71</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	(1,009)	691
Fund Balance at Beginning of Year	14,674	14,674	0
Fund Balance at End of Year	<u>\$12,974</u>	<u>\$13,665</u>	<u>\$691</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and Forfeitures	\$23,000	\$23,763	\$763
Total Revenues	23,000	23,763	763
Expenditures:			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	7,500	0	7,500
Total Expenditures	7,500	0	7,500
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	15,500	23,763	8,263
Fund Balance at Beginning of Year	151,832	151,832	0
Fund Balance at End of Year	\$167,332	\$175,595	\$8,263

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

ALCOHOL ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and Forfeitures	\$4,300	\$4,614	\$314
Total Revenues	4,300	4,614	314
Expenditures:			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	3,300	4,614	1,314
Fund Balance at Beginning of Year	7,734	7,734	0
Fund Balance at End of Year	<u>\$11,034</u>	<u>\$12,348</u>	<u>\$1,314</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FEDERAL FORFEITURES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,027	1,027	0
Total Other Financing Sources (Uses)	1,027	1,027	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,027	1,027	0
Fund Deficit at Beginning of Year	(1,027)	(1,027)	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FAIRBORN SCHOOL TAX SHARING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
General Government:			
Other Expenditures	37,100	37,066	34
Total Expenditures	37,100	37,066	34
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,100)	(37,066)	34
Other Financing Sources (Uses):			
Operating Transfers In	38,000	37,066	(934)
Total Other Financing Sources (Uses)	38,000	37,066	(934)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	900	0	(900)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$900	\$0	(\$900)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DAMAGE REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
All Other Revenues	\$40,000	\$41,598	\$1,598
Total Revenues	40,000	41,598	1,598
Expenditures:			
Current:			
General Government:			
Other Expenditures	134,366	134,365	1
Total General Government Expenditures	134,366	134,365	1
Capital Outlay	31,731	31,581	150
Total Expenditures	166,097	165,946	151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,097)	(124,348)	1,749
Fund Balance at Beginning of Year	368,446	368,446	0
Prior Year Encumbrances	597	597	0
Fund Balance at End of Year	\$242,946	\$244,695	\$1,749

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MUNICIPAL PROBATION SERVICES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and Forfeitures	\$0	\$6,935	\$6,935
Total Revenues	0	6,935	6,935
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	6,935	6,935
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$6,935	\$6,935



CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Issue II Improvement Fund

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds.

Municipal Court Improvement Fund

To account for an extra three dollar fee charged by the municipal court on all cases. The money received from this fee is used for capital improvement projects within the municipal court.

Court Special Projects Fund

To account for revenues derived from fines levied by the court to be used by the court for special projects.

General Capital Improvement Fund

To account for revenues received to purchase or construct equipment or buildings.

Parks and Recreation Improvement Fund

To account for a maximum of \$50,000 in hotel/motel tax and grants for the improvement of the City park system.

Library Improvement Fund

To account for revenue received from a bond issuance to be used for improvements to and an expansion of the Greene County Public Library branch in the City.

Buildings and Land Fund

To account for three percent of income tax revenue for major repair, replacement and improvement of City owned buildings and land. Minor repairs are paid through the departmental budgets of the City.

Special Assessment Construction Fund

To account for the sale of notes and the collection of special assessments for the construction of specific projects which will be paid from special assessments.

**THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999**

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Assets:				
Cash and Cash Equivalents	\$47,882	\$47,032	\$90,732	\$99,930
Investments	0	146,683	0	311,667
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	0	0	0	0
Special Assessments	0	0	0	0
Due from Other Funds	0	11,851	10,440	0
Total Assets	\$47,882	\$205,566	\$101,172	\$411,597
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$979	\$919	\$0	\$47,547
Accrued Interest Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Special Assessment Notes Payable	0	0	0	0
Total Liabilities	979	919	0	47,547
Fund Equity:				
Reserved for Encumbrances	8,085	9,101	0	74,585
Unreserved	38,818	195,546	101,172	289,465
Total Fund Equity	46,903	204,647	101,172	364,050
Total Liabilities and Fund Equity	\$47,882	\$205,566	\$101,172	\$411,597

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999

Parks and Recreation Improvement	Library Improvement	Buildings and Land	Special Assessment Construction	Totals
\$25,819	\$416	\$70,944	\$103,300	\$486,055
80,524	0	0	0	538,874
29,237	0	11,677	0	40,914
1,000	0	0	4,218	5,218
0	0	0	53,210	53,210
0	0	0	0	22,291
<u>\$136,580</u>	<u>\$416</u>	<u>\$82,621</u>	<u>\$160,728</u>	<u>\$1,146,562</u>
\$787	\$0	\$6,999	\$0	\$57,231
0	0	0	402	402
1,441	0	0	53,210	54,651
0	0	0	96,462	96,462
<u>2,228</u>	<u>0</u>	<u>6,999</u>	<u>150,074</u>	<u>208,746</u>
12,619	0	23,084	1,460	128,934
121,733	416	52,538	9,194	808,882
<u>134,352</u>	<u>416</u>	<u>75,622</u>	<u>10,654</u>	<u>937,816</u>
<u>\$136,580</u>	<u>\$416</u>	<u>\$82,621</u>	<u>\$160,728</u>	<u>\$1,146,562</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental Revenues	9,547	23,000	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	937
Special Assessments	0	0	0	0
Fines and Forfeitures	0	157,787	101,172	0
All Other Revenues	0	0	0	0
Total Revenues	9,547	180,787	101,172	937
Expenditures:				
Current:				
Leisure Time Activities	0	0	0	0
General Government	0	28,892	0	27,304
Capital Outlay	29,122	40,291	0	422,878
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	2,083
Total Expenditures	29,122	69,183	0	452,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,575)	111,604	101,172	(451,328)
Other Financing Sources (Uses):				
Proceeds from General Obligation Notes	0	0	0	250,000
Operating Transfers In	65,000	0	0	449,481
Operating Transfers Out	0	(40,836)	0	0
Total Other Financing Sources (Uses)	65,000	(40,836)	0	699,481
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	45,425	70,768	101,172	248,153
Fund Balance (Deficit) at Beginning of Year	1,478	133,879	0	115,897
Fund Balance at End of Year	\$46,903	\$204,647	\$101,172	\$364,050

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Parks and Recreation Improvement	Library Improvement	Buildings and Land	Special Assessment Construction	Totals
\$95,144	\$0	\$0	\$0	\$95,144
0	0	0	0	0
86,950	0	0	0	119,497
1,000	0	0	4,218	5,218
0	0	0	976	1,913
0	0	0	124,522	124,522
0	0	0	0	258,959
76,858	0	2,020	1,595	80,473
259,952	0	2,020	131,311	685,726
4,700	0	0	0	4,700
0	0	8,330	5,713	70,239
256,573	0	48,908	11,537	809,309
0	0	55,000	0	55,000
354	0	25,848	3,120	31,405
261,627	0	138,086	20,370	970,653
(1,675)	0	(136,066)	110,941	(284,927)
0	0	0	0	250,000
0	0	161,972	0	676,453
0	0	0	(18,000)	(58,836)
0	0	161,972	(18,000)	867,617
(1,675)	0	25,906	92,941	582,690
136,027	416	49,716	(82,287)	355,126
\$134,352	\$416	\$75,622	\$10,654	\$937,816

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

ISSUE II IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$371,887	\$9,547	(\$362,340)
Total Revenues	<u>371,887</u>	<u>9,547</u>	<u>(362,340)</u>
Expenditures:			
Capital Outlay	476,432	37,207	439,225
Total Expenditures	<u>476,432</u>	<u>37,207</u>	<u>439,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,545)	(27,660)	76,885
Other Financing Sources (Uses):			
Operating Transfers In	117,991	65,000	(52,991)
Total Other Financing Sources (Uses)	<u>117,991</u>	<u>65,000</u>	<u>(52,991)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	13,446	37,340	23,894
Fund Deficit at Beginning of Year	(14,955)	(14,955)	0
Prior Year Encumbrances	16,433	16,433	0
Fund Balance at End of Year	<u>\$14,924</u>	<u>\$38,818</u>	<u>\$23,894</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MUNICIPAL COURT IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$20,000	\$23,000	\$3,000
Fines and Forfeitures	155,000	158,854	3,854
Total Revenues	175,000	181,854	6,854
<u>Expenditures:</u>			
Current:			
General Government:			
Other Expenditures	33,177	28,892	4,285
Total General Government	33,177	28,892	4,285
Capital Outlay	97,809	49,417	48,392
Total Expenditures	130,986	78,309	52,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,014	103,545	59,531
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(40,836)	(40,836)	0
Total Other Financing Sources (Uses)	(40,836)	(40,836)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,178	62,709	59,531
Fund Balance at Beginning of Year	120,961	120,961	0
Prior Year Encumbrances	25	25	0
Fund Balance at End of Year	\$124,164	\$183,695	\$59,531

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COURT SPECIAL PROJECTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and Forfeitures	\$0	\$90,732	(\$90,732)
Total Revenues	0	90,732	(90,732)
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	90,732	(90,732)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$90,732	\$90,732

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$0	\$937	\$937
Total Revenues	0	937	937
<u>Expenditures:</u>			
General Government:			
Other Expenditures	43,555	42,845	710
Total General Government	43,555	42,845	710
Capital Outlay	679,705	494,920	184,785
Debt Service:			
Interest and Fiscal Charges	2,083	2,083	0
Total Expenditures	725,343	539,848	185,495
Excess (Deficiency) of Revenues Over (Under) Expenditures	(725,343)	(538,911)	186,432
<u>Other Financing Sources (Uses):</u>			
Proceeds of Bonds	250,000	250,000	0
Operating Transfers In	449,481	449,481	0
Total Other Financing Sources (Uses)	699,481	699,481	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(25,862)	160,570	186,432
Fund Balance at Beginning of Year	49,443	49,443	0
Prior Year Encumbrances	81,342	81,342	0
Fund Balance at End of Year	\$104,923	\$291,355	\$186,432

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

PARKS AND RECREATION IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property Taxes	\$91,500	\$90,579	(\$921)
Intergovernmental Revenues	87,450	86,950	(500)
All Other Revenues	83,000	76,858	(6,142)
Total Revenues	<u>261,950</u>	<u>254,387</u>	<u>(7,563)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Parks			
Other Expenditures	4,700	4,700	0
Total Leisure Time Activities	<u>4,700</u>	<u>4,700</u>	<u>0</u>
Capital Outlay	277,562	268,405	9,157
Debt Service:			
Principal Retirement	15,750	15,750	0
Total Expenditures	<u>298,012</u>	<u>288,855</u>	<u>9,157</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,062)	(34,468)	1,594
Fund Balance at Beginning of Year	5,930	5,930	0
Prior Year Encumbrances	122,262	122,262	0
Fund Balance at End of Year	<u>\$92,130</u>	<u>\$93,724</u>	<u>\$1,594</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LIBRARY IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	416	416	0
Fund Balance at End of Year	<u>\$416</u>	<u>\$416</u>	<u>\$0</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

BUILDINGS AND LAND FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
All Other Revenues	\$0	\$2,020	\$2,020
Total Revenues	0	2,020	2,020
Expenditures:			
Current:			
General Government:			
Other Expenditures	9,618	9,616	2
Total General Government	9,618	9,616	2
Capital Outlay	104,255	76,344	27,911
Debt Service:			
Principal Retirement	80,848	80,848	0
Total Expenditures	194,721	166,808	27,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,721)	(164,788)	29,933
Other Financing Sources (Uses):			
Transfers In	161,972	161,972	0
Total Other Financing Sources (Uses)	161,972	161,972	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(32,749)	(2,816)	29,933
Fund Balance at Beginning of Year	30,583	30,583	0
Prior Year Encumbrances	14,922	14,922	0
Fund Balance at End of Year	\$12,756	\$42,689	\$29,933

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

SPECIAL ASSESSMENT CONSTRUCTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$0	\$1,464	\$1,464
Special Assessments	134,069	124,522	(9,547)
All Other Revenues	0	1,595	1,595
Total Revenues	134,069	127,581	(6,488)
Expenditures:			
Current:			
General Government:			
Other Expenditures	5,713	5,713	0
Total General Government	5,713	5,713	0
Capital Outlay	77,279	12,997	64,282
Debt Service:			
Principal Retirement	17,499	17,499	
Interest and Fiscal Charges	2,820	2,820	0
Total Expenditures	103,311	39,029	64,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,758	88,552	57,794
Other Financing Sources (Uses):			
Transfers Out	(18,000)	(18,000)	0
Proceeds from Special Assessment Notes	61,250	57,538	(3,712)
Total Other Financing Sources (Uses)	43,250	39,538	(3,712)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	74,008	128,090	54,082
Fund Deficit at Beginning of Year	(72,242)	(72,242)	0
Prior Year Encumbrances	45,992	45,992	.0
Fund Balance at End of Year	\$47,758	\$101,840	\$54,082



ENTERPRISE FUNDS

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund

To account for the provision of water treatment and distribution to residential and commercial users within the City.

Sewer Fund

To account for the provision of sanitary sewer services to the residential and commercial users within the City.

Sanitation Fund

To account for the provision of refuse collection services to residential and commercial users within the City.

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 1999

	Water	Sewer	Sanitation	Totals
Assets:				
Cash and Cash Equivalents	\$858,496	\$398,886	\$216,226	\$1,473,608
Investments	2,676,643	1,243,430	674,372	4,594,445
Receivables (net of allowances for doubtful accounts):				
Accounts	250,147	411,068	218,475	879,690
Interest	7,601	871	0	8,472
Due from Other Funds	0	884	0	884
Intergovernmental Receivables	0	247,637	0	247,637
Inventory of Supplies at Cost	90,437	12,122	0	102,559
Prepaid Items	4,003	6,609	0	10,612
Restricted Assets:				
Cash and Cash Equivalents	54,978	54,978	54,978	164,934
Cash with Fiscal Agent	26,896	0	0	26,896
Property, Plant and Equipment	14,298,761	19,797,927	213,004	34,309,692
Less Accumulated Depreciation	(6,354,077)	(8,264,938)	(118,220)	(14,737,235)
Net Fixed Assets	7,944,684	11,532,989	94,784	19,572,457
Construction in Progress	268,407	0	0	268,407
Total Assets	\$12,182,292	\$13,909,474	\$1,258,835	\$27,350,601
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$38,102	\$164,950	\$269,745	\$472,797
Accrued Wages and Benefits	23,742	37,538	3,160	64,440
Due to Other Funds	695	628	190	1,513
Intergovernmental Payables	23,863	37,142	2,760	63,765
Matured Bonds and Interest Payable	26,350	0	0	26,350
Accrued Interest Payable	57,477	62,425	0	119,902
Landfill Closure Costs	0	0	384,161	384,161
Refundable Deposits	54,978	54,978	54,978	164,934
Compensated Absences Payable	54,066	82,969	9,532	146,567
General Obligation Notes Payable	2,100,000	1,100,000	0	3,200,000
General Obligation Bonds Payable	2,075,000	1,965,000	0	4,040,000
Ohio Water Development Authority Loan Payable	0	4,396,423	0	4,396,423
Ohio Public Works Commission Loan Payable	266,967	0	0	266,967
Total Liabilities	4,721,240	7,902,053	724,526	13,347,819
Fund Equity:				
Contributed Capital	6,598,008	7,314,061	0	13,912,069
Retained Earnings:				
Unreserved	863,044	(1,306,640)	534,309	90,713
Total Fund Equity	7,461,052	6,007,421	534,309	14,002,782
Total Liabilities and Fund Equity	\$12,182,292	\$13,909,474	\$1,258,835	\$27,350,601

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Water	Sewer	Sanitation	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$2,255,340	\$3,641,579	\$1,754,310	\$7,651,229
Other Operating Revenues	34,009	18,674	943	53,626
Total Operating Revenues	2,289,349	3,660,253	1,755,253	7,704,855
<u>Operating Expenses:</u>				
Personal Services	673,055	1,036,349	89,280	1,798,684
Materials and Supplies	90,519	179,968	11,410	281,897
Contractual Services	724,509	1,635,125	1,550,100	3,909,734
Depreciation	596,889	703,890	2,142	1,302,921
Total Operating Expenses	2,084,972	3,555,332	1,652,932	7,293,236
Operating Income	204,377	104,921	102,321	411,619
<u>Nonoperating Revenues (Expenses):</u>				
Gain on Sale of Fixed Assets	803	6,853	0	7,656
Intergovernmental Revenue	0	247,637	0	247,637
Investment Earnings	25,705	38,123	0	63,828
Interest and Fiscal Charges	(177,455)	(449,169)	0	(626,624)
Nonoperating Revenues	0	52,205	0	52,205
Nonoperating Expenses	(22,615)	0	0	(22,615)
Total Nonoperating Revenues (Expenses)	(173,562)	(104,351)	0	(277,913)
Net Income	30,815	570	102,321	133,706
Retained Earnings/Accumulated				
Deficit at Beginning of Year	832,229	(1,307,210)	431,988	(42,993)
Retained Earnings/Accumulated				
Deficit at End of Year	\$863,044	(\$1,306,640)	\$534,309	\$90,713

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Water	Sewer	Sanitation	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$2,193,639	\$3,606,560	\$1,735,841	\$7,536,040
Cash Payments for Goods and Services	(856,783)	(1,810,159)	(1,407,832)	(4,074,774)
Cash Payments to Employees	(680,044)	(1,041,671)	(91,101)	(1,812,816)
Other Operating Receipts	34,009	18,674	943	53,626
Customer Deposits Received	23,161	23,161	23,160	69,482
Customer Deposits Returned	(21,498)	(21,498)	(21,497)	(64,493)
Net Cash Provided by Operating Activities	<u>692,484</u>	<u>775,067</u>	<u>239,514</u>	<u>1,707,065</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(199,187)	(2,494,176)	(5,000)	(2,698,363)
Proceeds from General Obligation Notes	2,100,000	1,100,000	0	3,200,000
Principal Paid on General Obligation Notes	0	(1,100,000)	0	(1,100,000)
Proceeds from the Sale of Fixed Assets	803	6,853	0	7,656
Principal Paid on General Obligation Bonds	(180,000)	(150,000)	0	(330,000)
Principal Paid on Ohio Public Works Commission Loan	(16,685)	0	0	(16,685)
Proceeds of Ohio Water Development Authority Loan	0	1,475,757	0	1,475,757
Principal Paid on Ohio Water Development Authority Loan	0	(295,995)	0	(295,995)
Interest Paid on All Debt	(154,283)	(450,711)	0	(604,994)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,550,648</u>	<u>(1,908,272)</u>	<u>(5,000)</u>	<u>(362,624)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	37,807	42,102	0	79,909
Purchase of Investments	(1,885,471)	0	(266,578)	(2,152,049)
Sale of Investments	0	452,283	0	452,283
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,847,664)</u>	<u>494,385</u>	<u>(266,578)</u>	<u>(1,619,857)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	395,468	(638,820)	(32,064)	(275,416)
Cash and Cash Equivalents at Beginning of Year	544,902	1,092,684	303,268	1,940,854
Cash and Cash Equivalents at End of Year	<u>\$940,370</u>	<u>\$453,864</u>	<u>\$271,204</u>	<u>\$1,665,438</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$858,496	\$398,886	\$216,226	\$1,473,608
Restricted Cash and Cash Equivalents	54,978	54,978	54,978	164,934
Restricted Cash with Fiscal Agent	26,896	0	0	26,896
Cash and Cash Equivalents at End of Year	<u>\$940,370</u>	<u>\$453,864</u>	<u>\$271,204</u>	<u>\$1,665,438</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Water	Sewer	Sanitation	Totals
<u>Reconciliation of Operating Income to</u>				
<u>Net Cash Provided by Operating Activities:</u>				
Operating Income	\$204,377	\$104,921	\$102,321	\$411,619
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities:				
Depreciation Expense	596,889	703,890	2,142	1,302,921
Nonoperating Revenue	0	52,205	0	52,205
Nonoperating Expenses	(22,615)	0	0	(22,615)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(61,701)	(87,196)	(18,469)	(167,366)
Increase in Due From Other Funds	0	(28)	0	(28)
Increase in Inventory	(17,956)	(8,781)	0	(26,737)
Decrease in Prepaid Items	393	656	0	1,049
Increase in Accounts Payable	9,426	8,478	173,932	191,836
Decrease in Accrued Wages and Benefits	(7,651)	(9,127)	(415)	(17,193)
Increase (Decrease) in Due to Other Funds	184	122	(35)	271
Increase (Decrease) in Intergovernmental Payable	(6,282)	12,445	618	6,781
Decrease in Landfill Closure Costs	0	0	(20,219)	(20,219)
Decrease in Compensated Absences	(4,243)	(4,181)	(2,024)	(10,448)
Increase in Refundable Deposits Payable	1,663	1,663	1,663	4,989
Total Adjustments	<u>488,107</u>	<u>670,146</u>	<u>137,193</u>	<u>1,295,446</u>
Net Cash Provided by Operating Activities	<u>\$692,484</u>	<u>\$775,067</u>	<u>\$239,514</u>	<u>\$1,707,065</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 1999, the Water Fund and the Sewer Fund had outstanding liabilities of \$8,541 and \$107,465, respectively for the purchase of certain capital assets.

INTERNAL SERVICE FUNDS

To account for the financing of goods and services provided by one department to other departments within the City.

Equipment Fund

To account for charges to the other funds for the labor, parts, and overhead to repair and maintain the City equipment and vehicles

Self-Insurance Fund

To account for the payment of all City employees' dental insurance claims.

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 1999

	Equipment	Self- Insurance	Totals
Assets:			
Cash and Cash Equivalents	\$251,360	\$27,240	\$278,600
Investments	0	84,958	84,958
Receivables (net of allowance for doubtful accounts):			
Accounts	14,393	0	14,393
Interest	0	379	379
Due from Other Funds	8,353	0	8,353
Intergovernmental Receivables	19,104	0	19,104
Inventory of Supplies at Cost	82,263	0	82,263
Prepaid Items	2,316	0	2,316
Property, Plant and Equipment	184,121	0	184,121
Less Accumulated Depreciation	(105,653)	0	(105,653)
Net Fixed Assets	<u>78,468</u>	<u>0</u>	<u>78,468</u>
Total Assets	<u>\$456,257</u>	<u>\$112,577</u>	<u>\$568,834</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$65,529	\$0	\$65,529
Accrued Wages and Benefits	15,626	0	15,626
Due to Other Funds	134	0	134
Intergovernmental Payables	15,913	0	15,913
Claims Payable	0	917	917
Compensated Absences Payable	23,758	0	23,758
Total Liabilities	<u>120,960</u>	<u>917</u>	<u>121,877</u>
Fund Equity:			
Retained Earnings:			
Unreserved	335,297	111,660	446,957
Total Fund Equity	<u>335,297</u>	<u>111,660</u>	<u>446,957</u>
Total Liabilities and Fund Equity	<u>\$456,257</u>	<u>\$112,577</u>	<u>\$568,834</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Equipment	Self- Insurance	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$785,846	\$44,861	\$830,707
Total Operating Revenues	785,846	44,861	830,707
<u>Operating Expenses:</u>			
Personal Services	424,057	0	424,057
Materials and Supplies	16,787	0	16,787
Contractual Services	330,052	0	330,052
Dental Insurance Claims	0	33,884	33,884
Depreciation	10,773	0	10,773
Total Operating Expenses	781,669	33,884	815,553
Operating Income	4,177	10,977	15,154
<u>Nonoperating Revenues:</u>			
Intergovernmental Revenues	19,104	0	19,104
Investment Earnings	0	4,028	4,028
Total Nonoperating Revenues	19,104	4,028	23,132
Net Income	23,281	15,005	38,286
Retained Earnings at Beginning of Year	312,016	96,655	408,671
Retained Earnings at End of Year	\$335,297	\$111,660	\$446,957

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Equipment	Self- Insurance	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Receipts from Quasi-External			
Operating Transactions with Other Funds	\$800,448	\$44,861	\$845,309
Cash Payments for Goods and Services	(342,511)	0	(342,511)
Cash Payments to Employees	(418,590)	0	(418,590)
Cash Payments for Employee Medical/Dental Claims	0	(35,976)	(35,976)
Net Cash Provided by Operating Activities	<u>39,347</u>	<u>8,885</u>	<u>48,232</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(14,228)	0	(14,228)
Net Cash Used for Capital and Related Financing Activities	<u>(14,228)</u>	<u>0</u>	<u>(14,228)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	3,981	3,981
Purchase of Investments	0	(23,374)	(23,374)
Net Cash Used by Investing Activities	<u>0</u>	<u>(19,393)</u>	<u>(19,393)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,119	(10,508)	14,611
Cash and Cash Equivalents at Beginning of Year	226,241	37,748	263,989
Cash and Cash Equivalents at End of Year	<u>\$251,360</u>	<u>\$27,240</u>	<u>\$278,600</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u> Provided by Operating Activities:</u>			
Operating Income	\$4,177	\$10,977	\$15,154
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	10,773	0	10,773
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	901	0	901
Increase in Due from Other Funds	(1,376)	0	(1,376)
Decrease in Intergovernmental Receivables	15,077	0	15,077
Increase in Inventory	(23,969)	0	(23,969)
Decrease in Prepaid Items	230	0	230
Increase in Accounts Payable	28,347	0	28,347
Decrease in Accrued Wages and Benefits	(3,911)	0	(3,911)
Increase in Due to Other Funds	55	0	55
Increase in Intergovernmental Payables	2,836	0	2,836
Increase in Compensated Absences Payable	6,207	0	6,207
Decrease in Claims Payable	0	(2,092)	(2,092)
Total Adjustments	<u>35,170</u>	<u>(2,092)</u>	<u>33,078</u>
Net Cash Provided by Operating Activities	<u>\$39,347</u>	<u>\$8,885</u>	<u>\$48,232</u>

FIDUCIARY FUND TYPE

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

AGENCY FUND

Municipal Court Fund

To account for monies that flow through the Clerk of Courts office.

THE CITY OF FAIRBORN, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
<u>Municipal Court</u>				
Restricted Assets:				
Cash with Fiscal Agent	\$365,740	\$3,178,000	(\$3,185,752)	\$357,988
Total Assets	<u>\$365,740</u>	<u>\$3,178,000</u>	<u>(\$3,185,752)</u>	<u>\$357,988</u>
Liabilities:				
Due to Other Funds	\$109,357	\$1,017,297	(\$1,012,060)	\$114,594
Intergovernmental Payables	117,314	992,015	(1,005,911)	103,418
Undistributed Money	139,069	1,168,688	(1,167,781)	139,976
Total Liabilities	<u>\$365,740</u>	<u>\$3,178,000</u>	<u>(\$3,185,752)</u>	<u>\$357,988</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 1999

General Fixed Assets

Land	\$1,809,695
Buildings and Improvements	4,808,925
Machinery and Equipment	5,624,965
Vehicles	3,224,005
Construction In Progress	63,129
Total General Fixed Assets	<u>\$15,530,719</u>

Investment in General Fixed Assets

General Fund	\$5,066,264
Special Revenue Funds	1,439,187
Capital Project Funds	3,528,866
Internal Service Funds	2,186
Acquired prior to January 1, 1989	5,494,216
Total Investment in General Fixed Assets	<u>\$15,530,719</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 1999

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Vehicles	Construction in Progress	Total
<u>Security of Persons and Property:</u>						
Police	\$0	\$130,335	\$1,585,836	\$693,105	\$63,129	\$2,472,405
Fire	45,711	450,582	457,412	1,763,689	0	2,717,394
Total	<u>45,711</u>	<u>580,917</u>	<u>2,043,248</u>	<u>2,456,794</u>	<u>63,129</u>	<u>5,189,799</u>
<u>Public Health and Welfare:</u>						
Cemetery	0	22,681	43,058	15,015	0	80,754
<u>Leisure Time Activities:</u>						
Parks	1,006,836	54,668	5,011	0	0	1,066,515
Parks and Recreation	70,910	70,802	181,505	0	0	323,217
Total	<u>1,077,746</u>	<u>125,470</u>	<u>186,516</u>	<u>0</u>	<u>0</u>	<u>1,389,732</u>
<u>Community Environment:</u>						
Building Inspection	0	0	45,391	26,114	0	71,505
Community Development	0	3,615	124,382	13,259	0	141,256
Total	<u>0</u>	<u>3,615</u>	<u>169,773</u>	<u>39,373</u>	<u>0</u>	<u>212,761</u>
<u>Transportation:</u>						
Street	380,250	265,033	253,093	495,989	0	1,394,365
State Highway	0	0	28,812	40,970	0	69,782
Total	<u>380,250</u>	<u>265,033</u>	<u>281,905</u>	<u>536,959</u>	<u>0</u>	<u>1,464,147</u>
<u>General Government:</u>						
City Manager	0	0	54,094	11,762	0	65,856
Audio Visual	0	0	127,726	0	0	127,726
Council	0	0	51,319	0	0	51,319
Municipal Court	0	22,832	1,284,646	35,148	0	1,342,626
Finance	0	0	314,418	0	0	314,418
Personnel	0	0	10,420	0	0	10,420
Engineering/Draft	1,839	7,400	109,188	57,561	0	175,988
Plant Maintenance	304,149	3,780,977	641,897	71,393	0	4,798,416
Electronic Maintenance	0	0	85,451	0	0	85,451
Library	0	0	221,306	0	0	221,306
Total	<u>305,988</u>	<u>3,811,209</u>	<u>2,900,465</u>	<u>175,864</u>	<u>0</u>	<u>7,193,526</u>
Total General Fixed Assets	<u>\$1,809,695</u>	<u>\$4,808,925</u>	<u>\$5,624,965</u>	<u>\$3,224,005</u>	<u>\$63,129</u>	<u>\$15,530,719</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1999

Function and Activity	Restated December 31, 1998	Additions	Deletions	December 31, 1999
<u>Security of Persons and Property:</u>				
Police	\$2,370,659	\$140,740	(\$38,994)	\$2,472,405
Fire	2,541,919	175,475	0	2,717,394
Total	<u>4,912,578</u>	<u>316,215</u>	<u>(38,994)</u>	<u>5,189,799</u>
<u>Public Health and Welfare:</u>				
Cemetery	73,224	7,530	0	80,754
<u>Leisure Time Activities:</u>				
Parks	1,010,451	56,064	0	1,066,515
Parks and Recreation	323,217	0	0	323,217
Total	<u>1,333,668</u>	<u>56,064</u>	<u>0</u>	<u>1,389,732</u>
<u>Community Environment:</u>				
Building Inspection	57,882	13,623	0	71,505
Community Development	135,386	5,870	0	141,256
Total	<u>193,268</u>	<u>19,493</u>	<u>0</u>	<u>212,761</u>
<u>Transportation:</u>				
Street	1,343,576	50,789	0	1,394,365
State Highway	69,782	0	0	69,782
Total	<u>1,413,358</u>	<u>50,789</u>	<u>0</u>	<u>1,464,147</u>
<u>General Government:</u>				
City Manager	65,169	687	0	65,856
Audio Visual	127,726	0	0	127,726
Council	51,319	0	0	51,319
Municipal Court	1,303,907	38,719	0	1,342,626
Finance	260,710	53,708	0	314,418
Personnel	9,403	1,017	0	10,420
Engineering/Draft	172,856	3,132	0	175,988
Plant Maintenance	4,776,614	21,802	0	4,798,416
Electronic Maintenance	85,451	0	0	85,451
Library	221,306	0	0	221,306
Total	<u>7,074,461</u>	<u>119,065</u>	<u>0</u>	<u>7,193,526</u>
Total General Fixed Assets	<u>\$15,000,557</u>	<u>\$569,156</u>	<u>(\$38,994)</u>	<u>\$15,530,719</u>



STATISTICAL TABLES

THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.

CITY OF FAIRBORN, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	General Government	Capital Outlay	Debt Service	Total
1990	\$5,082,777	\$56,176	\$48,555	\$260,583	\$3,232,593	\$486,756	\$38,276	\$9,205,716
1991	5,513,153	56,443	76,710	336,297	3,388,891	474,844	39,890	9,886,228
1992	5,671,732	55,618	113,537	345,406	3,553,045	192,738	38,656	9,970,732
1993	6,080,510	58,776	116,945	337,612	3,717,044	254,779	38,641	10,604,307
1994	6,179,444	65,195	123,014	370,689	4,174,180	505,880	11,940	11,430,342
1995	6,677,504	68,489	147,512	395,233	4,162,483	477,860	8,157	11,937,238
1996	7,116,947	71,153	155,852	387,947	4,261,869	212,708	1,264	12,207,740
1997	7,575,202	70,017	155,675	417,378	4,209,186	247,566	7,501	12,682,525
1998	7,697,492	73,050	176,781	437,740	4,454,711	462,750	2,146	13,304,670
1999	7,962,947	67,886	171,794	477,321	4,914,849	385,490	180	13,980,467

SOURCE: Finance Office, City of Fairborn

CITY OF FAIRBORN, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS

Year	Property Taxes	Municipal Income Taxes	Inter-Governmental	Charges For Services	Licenses, Permits and Inspections	Investment Earnings	Fines and Forfeitures	All Other Revenues	Total
1990	\$1,515,214	\$3,718,949	\$1,584,985	\$1,182,460	\$72,800	\$540,122	\$727,205	\$103,292	\$9,445,027
1991	1,705,846	3,878,381	1,548,312	1,368,293	50,563	380,875	805,050	74,704	9,812,024
1992	1,767,684	4,136,538	1,612,761	1,484,183	79,602	220,606	790,942	82,995	10,175,311
1993	1,771,742	4,237,353	1,692,691	1,772,211	102,368	166,376	857,660	113,784	10,714,185
1994	1,862,299	4,875,417	1,589,552	1,880,373	123,707	269,778	864,349	132,620	11,598,095
1995	1,947,597	5,016,181	1,693,485	1,876,208	197,761	396,923	1,099,363	163,166	12,390,684
1996	1,908,867	4,972,990	2,244,408	1,998,890	150,375	408,274	1,072,148	105,884	12,861,836
1997	2,130,308	4,953,189	2,735,826	1,939,160	287,460	510,156	1,091,511	211,986	13,859,596
1998	2,183,432	5,197,699	2,522,807	2,092,009	305,522	541,442	1,091,726	417,117	14,351,754
1999	2,173,588	5,532,125	2,526,711	2,550,169	321,738	457,760	1,187,002	190,684	14,939,777

SOURCE: Finance Office, City of Fairborn

CITY OF FAIRBORN, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Total Tax Levy	Total Tax Collections (1)	Percent of		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy (1)
			Total Tax Collections To Tax Levy	Total Tax Collections To Tax Levy		
1990	\$1,705,979	\$1,608,766	94.3%	94.3%	\$48,547	2.8%
1991	2,036,099	1,938,807	95.2%	95.2%	37,398	1.8%
1992	2,006,532	1,947,464	97.1%	97.1%	41,878	2.1%
1993	2,018,887	1,951,995	96.7%	96.7%	33,909	1.7%
1994	2,045,036	2,002,226	97.9%	97.9%	49,848	2.4%
1995	2,132,923	2,036,927	95.5%	95.5%	66,044	3.1%
1996	2,073,854	1,937,412	93.4%	93.4%	116,916	5.6%
1997	2,219,353	2,144,459	96.6%	96.6%	75,700	3.4%
1998	2,232,743	1,965,008	88.0%	88.0%	76,862	3.4%
1999	2,267,425	1,906,485	84.1%	84.1%	104,351	4.6%

SOURCE: County Auditor; Green County, Ohio

(1) County Auditor cannot split tax collections between current and delinquent.

CITY OF FAIRBORN, OHIO
ASSESSED VALUATIONS AND ESTIMATED
TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Assessed		* Assessed Tangible Personal	Exemptions (1)	Total Assessed Value	Estimated True Value	Percentage of Assessed Value To Estimated True Value
	Assessed Real	Public Utility Real					
1990	\$320,577,470	\$16,074,270	\$24,416,895	(\$63,803,910)	\$297,264,725	\$806,882,457	36.84%
1991	334,591,490	17,098,780	24,663,500	(74,464,520)	301,889,250	883,419,868	34.17%
1992	341,219,410	17,696,490	25,418,814	(78,858,970)	305,475,744	897,927,269	34.02%
1993	366,085,210	17,986,870	26,002,271	(81,960,910)	328,113,441	967,183,855	33.92%
1994	373,593,840	18,207,770	26,247,197	(85,794,370)	332,254,437	979,267,645	33.93%
1995	380,053,050	18,231,870	26,233,097	(85,922,180)	338,595,837	967,388,110	35.00%
1996	413,973,720	19,089,980	29,346,396	(84,655,070)	377,755,026	1,112,554,092	33.95%
1997	422,618,920	19,908,590	29,748,447	(88,125,310)	384,150,647	1,097,573,277	35.00%
1998	429,132,780	21,750,640	28,479,115	(89,344,780)	390,017,755	1,114,336,443	35.00%
1999	455,514,920	22,875,640	28,685,873	(91,143,620)	415,932,813	1,188,379,466	35.00%

SOURCE: County Auditor; Greene County, Ohio

* Includes Assessed Tangible Public Utility
(1) Exemptions include property utilized by the local and federal governments and nonprofit organizations.

CITY OF FAIRBORN, OHIO
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Collection Year	City of Fairborn				Total City (1)	Fairborn City Schools (2)	Greene County (2)	Joint Vocational School (2)	General Health District (2)
	General Fund	Bond Retirement Fund	Street Lighting Fund						
1990	6.70	1.20	2.50	2.50	10.40	42.10	8.78	3.70	0.30
1991	6.70	1.10	2.50	2.50	10.30	41.90	8.78	3.70	0.30
1992	6.70	1.10	2.50	2.50	10.30	42.20	8.78	3.45	0.30
1993	6.70	1.00	2.50	2.50	10.20	41.80	8.78	3.45	0.30
1994	6.70	1.00	2.50	2.50	10.20	41.80	8.78	3.45	0.30
1995	6.70	0.90	2.50	2.50	10.10	41.80	8.78	3.45	0.30
1996	6.70	0.80	2.50	2.50	10.00	41.80	8.78	3.45	0.30
1997	6.70	0.80	2.50	2.50	10.00	43.00	8.78	3.45	0.30
1998	6.70	0.80	2.50	2.50	10.00	41.80	8.78	3.45	0.30
1999	6.70	0.70	2.50	2.50	9.90	41.80	8.78	3.45	0.30

SOURCE: (1) City of Fairborn's Operating Budget
(2) County Auditor; Greene County, Ohio

**CITY OF FAIRBORN, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
1990	\$528,029	\$510,400	96.66%
1991	493,264	447,739	90.77%
1992	491,226	464,361	94.53%
1993	484,266	431,256	89.05%
1994	476,528	448,867	94.20%
1995	460,954	437,147	94.84%
1996	408,048	280,982	68.86%
1997	494,384	315,111	63.74%
1998	489,248	430,341	87.96%
1999	468,385	414,418	88.48%

SOURCE: (1) County Auditor; Greene County, Ohio
(2) City's Tax Settlement Sheets

This table reflects only those special assessments collected through the County Auditor's office. It does not reflect lump sum payments received by the City.

THE CITY OF FAIRBORN, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 1999

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$415,932,813	\$415,932,813
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	43,672,945	22,876,305
Applicable City Debt Outstanding (2)	2,360,000	0
Less: Applicable Debt Service Fund Amounts	(600,376)	(600,376)
Net Indebtedness Subject to Limitation	1,759,624	(600,376)
Legal Debt Margin	\$41,913,321	\$23,476,681

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Bonds and Notes
 Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

CITY OF FAIRBORN, OHIO
RATIO OF NET GENERAL OBLIGATION DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Debt Service Funds Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1990	31,300	\$297,264,725	\$2,365,000	\$53,001 (3)	\$1,350,000	\$961,999	0.32%	\$30.73
1991	31,300	301,889,250	9,015,000	63,373 (3)	6,355,000	2,596,627	0.86%	82.96
1992	31,469	305,475,724	8,610,000	67,829 (3)	6,100,000	2,442,171	0.80%	77.61
1993	31,469	328,113,441	8,195,000	310,589	5,835,000	2,049,411	0.62%	65.12
1994	31,469	332,254,437	7,770,000	477,297	5,565,000	1,727,703	0.52%	54.90
1995	31,469	338,585,837	7,335,000	572,139	5,285,000	1,477,861	0.44%	46.96
1996	31,469	377,755,026	6,885,000	515,802	4,995,000	1,374,198	0.36%	43.67
1997	31,469	384,150,647	6,415,000	501,844	4,690,000	1,223,156	0.32%	38.87
1998	31,469	390,017,755	6,505,000	655,099	4,370,000	1,479,901	0.38%	47.03
1999	33,260	415,932,813	6,400,000	600,376	4,040,000	1,759,624	0.42%	52.91

SOURCE: (1) U.S. Department of Commerce, Bureau of Census - 1990 Census.
(2) Excludes special assessment general obligation debt.
(3) Excludes debt service money available to pay special assessment general obligation debt.

CITY OF FAIRBORN, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL FUND EXPENDITURES
LAST TEN YEARS

Year	Debt Principal and Interest	General Fund Expenditures	Ratio of Debt Principal and Interest to General Fund Expenditures
1990	\$176,400	\$9,205,716	1.9%
1991	260,071	9,886,228	2.6%
1992	328,498	9,970,732	3.3%
1993	319,217	10,604,307	3.0%
1994	314,890	11,430,342	2.8%
1995	305,222	11,937,238	2.6%
1996	300,503	12,207,740	2.5%
1997	295,426	12,682,525	2.3%
1998	344,900	13,304,670	2.6%
1999	360,009	13,980,467	2.6%

SOURCE: Finance Office, City of Fairborn

CITY OF FAIRBORN, OHIO
 COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 1999

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Fairborn</u>	<u>Amount Applicable to the City of Fairborn</u>
City of Fairborn	\$1,759,624	100.00%	\$1,759,624
Greene County	23,375,000	15.99%	<u>3,737,663</u>
		Total	<u><u>\$5,497,287</u></u>

NOTE: The percentage of net indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by the subdivision's total assessed valuation.

**CITY OF FAIRBORN, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Greene County (3)</u>
1990	31,300	6,618	4.70 %
1991	31,300	6,621	5.20 %
1992	31,469	6,546	5.60 %
1993	31,469	6,578	4.70 %
1994	31,469	6,361	4.10 %
1995	31,469	6,287	3.80 %
1996	31,469	6,251	3.80 %
1997	31,469	5,935	3.70 %
1998	31,469	5,640	3.30 %
1999	33,260	5,825	3.30 %

SOURCE: (1) Miami Valley Regional Planning Commission

(2) Fairborn Board of Education

(3) Ohio Bureau of Employment Services

**CITY OF FAIRBORN, OHIO
PROPERTY VALUES AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential Construction (1)		Commercial Construction (1)	
	Number of Permits	Value	Number of Permits	Value
1990	19	\$1,534,723	11	\$10,788,505
1991	26	2,303,466	6	942,000
1992	37	3,459,800	6	2,397,600
1993	64	69,514,258	6	4,843,661
1994	57	6,320,000	8	1,264,000
1995	50	9,914,410	9	7,330,803
1996	60	8,922,200	8	3,089,000
1997	134	20,279,810	10	1,536,986
1998	124	15,738,746	7	4,292,500
1999	112	19,325,451	14	8,491,620

SOURCE: (1) City of Fairborn Building Department

**THE CITY OF FAIRBORN, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 1999**

Taxpayer	1999 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Wright Executive Center Partners	\$9,838,490	2.37%
2. Roberds, Inc.	4,978,560	1.20%
3. Wright Executive Hotel	4,645,930	1.12%
4. Highlands Apartments	4,407,330	1.06%
5. MG-Mapleview LTD	4,074,920	0.98%
6. Fairborn Commerce Center	3,984,200	0.96%
7. Southdown Inc.	2,721,240	0.65%
8. Fairborn Wright Office Park	2,544,860	0.61%
9. Meadowrun Associates LTD	2,218,180	0.53%
10. Peppertree Associates	2,115,800	0.51%
Subtotal	41,529,510	9.99%
All Others	374,403,303	90.01%
Total	\$415,932,813	100.00%

Based on valuation of property taxes levied in 1999.
Source: County Auditor; Greene County, Ohio

CITY OF FAIRBORN, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 1999

Year of Incorporation	1950	Area - square miles	13.27
Form of Government	Council-Manager	Miles of Streets	122.02
		Number of Street Lights	1,900
Number of Employees (excluding police and fire)		Sewers:	
Classified	70	Miles of Sanitary Sewers	125.28
Unclassified	58	Miles of Storm Sewers	99.15
Exempt	27	Number of Treatment Plants	1
		Number of Service Connections	11,000
Recreation and Culture:		Daily Average Treatment in Gallons	4,251,000
Number of Parks	13	Maximum Daily Capacity of Plant in Gallons	5,500,000
Park Acreage	358		
Bikeway	1	Water:	
Number of Tennis Courts	14	Miles of Water Mains	138.09
		Number of Service Connections	11,000
Fire Protection:		Number of Fire Hydrants	1,248
Number of Stations	3	Daily average consumption in gallons	3,603,795
Number of Fire Personnel and Officers	46	Maximum Daily Capacity of Plant in Gallons	9,600,000
Number of Calls Answered	6,642		
Number of Inspections Conducted	1142	Education:	
		Number of Elementary Schools	6
Police Protection:		Number of Elementary School Instructors	203
Number of Stations	1	Number of Secondary Schools	2
Number of Policemen and Officers	41	Number of Secondary School Instructors	150
Number of Patrol Units	27	Number of Universities	1
Number of Citations Issued:			
Criminal Arrests	2,778		
Traffic	5,499		

SOURCE: Finance Office, City of Fairborn





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF FAIRBORN

GREENE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

By: Susan Babbitt

Date: JUL 27 2000