

2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF FAIRBORN, OHIO

FOR THE YEAR ENDED

DECEMBER 31, 2014



Dave Yost • Auditor of State

City Council
City of Fairborn
44 West Hebble Avenue
Fairborn, Ohio 45324

We have reviewed the *Independent Auditor's Report* of the City of Fairborn, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 21, 2015

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CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



I N T R O D U C T O R Y S E C T I O N



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**CITY OF FAIRBORN
FINANCE DEPARTMENT**

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May 29, 2015

Honorable Mayor and
Members of 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, 2014. 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).

This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires that cities reporting on a GAAP basis file an unaudited annual report with the Auditor of State within 150 days of year-end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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 finance department. We believe the data, as presented, is accurate in all material respects, 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 Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14/39, "*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, agencies, boards, commissions and jointly governed organizations 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 of Fairborn

The City of Fairborn is located in the west central part of the State of Ohio, 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 and Columbus. The home of aviation, Fairborn is the site of Wright State University, Wright Patterson Air Force Base, the Wright Brothers Memorial, Air Force Institute of Technology and Wright Field.

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 seven members, six of which are elected to four-year terms in the general municipal election. The mayor, as seventh 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.

Council is required to adopt, by ordinance, an annual budget for each fiscal year. Upon presentation by the City manager of a proposed budget, council calls and publicizes a public hearing on the budget. Following the public hearing council adopts the budget as it may have been amended, as the City's annual budget effective for the next fiscal year. If the annual budget is not adopted prior to the beginning of the fiscal year, council may adopt a temporary budget to cover the first three months of the year, with the annual budget required to be adopted by April 1st.

Economic Condition and Outlook

With economic diversity, key governmental institutions, and prime land for additional development, the City has what it takes to fuel business growth. Wise and prudent City planning as well as collaboration with other organizations helps the City maintain its current business base and expand horizons with new and exciting ventures in commercial, industrial, government, and office development.

Located with four interchanges on I-675 near the intersection of I-70, Fairborn is ideally situated for connectivity to the Dayton regional market and larger metro markets. This connectivity provides easy access for not only transportation and distribution operations but also for the local workforce whose average commute times are five minutes lower than the national average. Another benefit to the local workforce is the very competitive cost of living which currently is approximately 20% less than the national average.

As home to Wright State University (WSU) and the gateway to Wright-Patterson Air Force Base, the City gains economic strength from two of the largest employers in the Miami Valley region. WSU is the region's largest university with nearly 18,000 students and is a fully accredited state university. Its eight colleges and three schools offer more than 90 undergraduate degrees and 88 graduate, masters, doctoral, and professional degree programs. The WSU Nutter Center provides a 12,000 seat sport and entertainment venue that continually draws national performers and events to the Dayton region. Additionally, WSU provides a significant draw for complimentary businesses who either work in partnership or do research with the institution.

Because of its close proximity to Wright-Patterson Air Force Base, the City attracts defense industry and related businesses that serve the Air Force and other branches of the military. One of the most exciting initiatives for the City is the recent development of the National Center for Medical Readiness Tactical Laboratory at Calamityville.

Calamityville, the moniker for a project of the Department of Emergency Medicine in the Boonshoft School of Medicine at Wright State University, has been developed as a state of the art collaborative training and research facility that provides unique training opportunities for the world's medical, public health, public safety, civilian and military disaster responders and decision makers. Calamityville is located in the City on 54 acres at the site of the former CEMEX plant, an international supplier of cement.

While government and defense-related businesses are a vital part of the City's economy, there are many others that provide economic support and add to the diversity of the business community including manufacturing, distribution, healthcare, education, IT and various retail and hospitality venues.

Recognizing that Fairborn has a unique opportunity to capitalize on its location, economic make up, transportation network, buildable land, and various other factors the City leadership recently took steps to enhance economic development activity within the community. First, the City

officially established and funded a new economic development department with the sole purpose to assist the local business community and encourage new investment within the City. Second, the City revived its community improvement corporation, now doing business as the Fairborn Development Corporation (FDC). The FDC is a 501(c)(3) non-profit organization created to advance, encourage, promote and pursue civic, economic, commercial and industrial development within the greater Fairborn area. The FDC serves as an important advisory board that allows community stakeholders and business leaders the opportunity to participate and contribute in a meaningful way to local economic development efforts.

Like Wright State University's National Center for Medical Readiness, many other organizations are attracted to the City due to the available real estate poised for development. The City has the next great development frontier along I-675, which connects I-75 to I-70. The Dayton-Yellow Springs Road, State Route 235, and State Route 444 interchanges on I-675 provide prime industrial, office and commercial development sites. Fairborn is located within 600 miles of 64% of the US population, 50% of the Canadian population, 63% of all US manufacturing, 70% of all the North American manufacturing and 80% of all U.S. headquarters.

If air travel is a concern Fairborn is fortunate to be located within 60 minutes of three international airports with daily operations that rival most metropolitan areas. The Dayton International Airport is conveniently located along a major highway network allowing the local businesses to easily reach 55% of the total US population in only 90 minutes by air.

From the technology based business office space in Wright Executive Park to the more recent Valle Greene North development with acres of shovel ready sites available, the City is ready to assist businesses looking for prime locations along I-675. The City is also one of a very limited number of cities that has rail service adjacent to industrial zoned land that is also ready for development.

The City's progress in economic growth would not be possible without the assistance of the Fairborn Chamber of Commerce and the Downtown Fairborn Betterment Association. These groups of caring residents and business professionals help facilitate business growth by organizing networking opportunities through various programs and events held during the year. Looking to the future, the City will continue to pursue successful collaborations among businesses, community organizations, and government as a catalyst for economic growth in the City.

Major Initiatives

For 2014

As with other cities, the adequacy of the City of Fairborn's infrastructure to support its needs is essential. Also, economic development and revitalization continue to be the City's priority.

A 10 year, one-quarter of one percent income tax levy was approved by the residents in 2004 for fire facilities and equipment. The 10-year tax levy generated approximately \$2 million dollars in 2014, the last year for the levy, and has been used to finance land acquisition and the

construction and renovation of fire facilities, as well as the purchase of fire and EMS equipment for four stations.

During the same election in 2004, residents also approved a one-quarter of one percent income tax levy for resurfacing, reconstructing and repairing the City's thoroughfares and residential streets. The City developed a strategic plan and identified the thoroughfares and streets that will be upgraded as part of this 10-year initiative. The levy also generated approximately \$2 million in 2014, also the last year for the levy, to finance the infrastructure improvements. Through 2014, the tenth year of the street improvement program, approximately 66% of the City's roadways have been resurfaced or repaired affecting 268 local streets and 32 thoroughfares.

In 2014, Fairborn residents again showed their support for sustainable and quality roads by passing a new 10-year, one-quarter of one percent income tax levy for resurfacing, reconstructing and repairing the City's streets. This provides a predictable funding amount that will continue to help improve and maintain the roadway system for the next ten years. Also in 2014, Engineering submitted successful applications for State and federal roadway funding totaling more than \$3.3 million.

Construction of the Colonel Glenn Highway improvements project was completed in 2014. It consisted of asphalt resurfacing, installing new curb and gutter for the entire project, installing new traffic calming median islands, and adding some new sidewalk. The project was partially funded by a \$400,000 grant from the Ohio Public Works Commission.

An Ohio Department of Transportation (ODOT) Congestion Mitigation and Air Quality (CMAQ) grant was awarded in 2014 for the Broad Street signals upgrade project that will be completed in early 2015. It included fiber optic interconnect communications with intersections from Dayton Drive to Central Avenue. These intersections received new LED signal indications, new control cabinets with UPS battery back-up systems, signal poles and mast arms, new pedestrian crossing signals, vehicle detection system and sidewalks. System engineering design is currently being finalized.

The very important Spangler Road project that would improve the pavement and extend municipal utilities to developable properties within the City was also begun in 2014 and will conclude in early 2015.

The 2015 curb-sidewalk-approach program (CSA) program was awarded in 2014. This program replaces deteriorated concrete infrastructure and is performed annually prior to the street improvement program and coincides with the Americans with Disabilities Act (ADA) curb ramp program, which constructs or reconstructs ramps to ADA standards.

As with most cities of similar age, the City of Fairborn is beginning to see condition concerns as water and sewer infrastructure nears the end of its useful life. Since much of this infrastructure is buried underground in the form of water and sewer mains, problems may not be found until there is a catastrophic failure. In an effort to reduce the potential for these failures, the Division of Water and Sewer continues to undertake projects to replace or renew this infrastructure. In 2014, this included the design of water main replacements on two streets, Sunset and Oakhill, to be

constructed in 2015. Two water towers were sandblasted, cleaned and painted on both the interior and exterior with an anticipated coating life of twenty years or more. An in-house assessment of sewers was conducted where high levels of inflow and infiltration were identified through flow monitoring, indicative of potential pipe failure, and resulted in the award of a project to line sewer mains located on 15 different city streets. The work, to be completed in early 2015, provides for an extension of the sewer main life by 50 years or more without having to conduct any excavations.

To identify future needs, a wastewater master plan was undertaken in 2014 to assess all aspects of the wastewater collection and treatment system including lift stations, the water reclamation center, and the capacity of primary sewer mains. This plan, which is nearing completion, will help build the road map for capital planning for the next twenty years.

Several projects highlighted the Parks department's efforts including finally receiving approval to install a long-awaited permanent restroom in Rona Hills Park, which is located within a 100 year flood plain. After many delays due to design and site change considerations, ultimately the land will be raised out of the flood plain and the structure installed in the spring of 2015. Valle Greene Park also received a new ADA accessible playground and ADA accessible parking and sidewalk approaches to all park amenities including the existing shelter house. The existing small tot playground remains and new swings were added to the site. This park is now completely accessible to any person pursuing outdoor activity and/or passive recreation. Fairfield Sports Park received new infields, new fencing and new player shade structures on the first three diamonds making what some are calling "the best fields in the region." The playground area was also spruced up bringing the park softball complex to become truly a family area.

For the Future

The City's comprehensive plan helps facilitate managed and orderly growth. Growth however, continues to challenge the capacity of City infrastructure and the City's ability to maintain it, especially its water distribution, sewer collection, wastewater treatment, and street and thoroughfare systems. The City remains steadfast in its commitment to ensure the maintenance of existing infrastructure and the development of adequate new infrastructure to meet future demands. A perpetual five-year capital improvement plan is maintained and updated annually to assist the City in targeting the most important near-term capital improvements and the resources required to fund them.

The Engineering division continues to oversee the paving program for the 452 public streets in Fairborn. City residents approved a renewal of the street levy for ten more years, providing extremely important funds which allow the continued repaving and repairing of City streets. The vision for the next ten years is to diversify the road treatments to most efficiently treat City streets to result in the lowest life cycle cost for the roadway system. The 2015 street program will utilize a few cost effective treatments that are new to Fairborn and in 2016 will include the full depth reconstruction of Ohio Street and Wright Avenue, replacing the curb, pavement, and adding a new waterline.

The Central Avenue-Xenia Drive bikeway connector project has received an ODOT CMAQ grant to connect the termini of existing bikeways at Central Avenue near South Street and at Xenia Drive near Dayton Drive. Design work was completed in 2014 and construction is scheduled to begin in the summer of 2015.

The Dayton-Yellow Springs Road (DYS) phase III improvements project received an OPWC grant to make improvements on a half-mile section from Southlawn Drive to Beaver Valley Road. Improvements constructed will include a second westbound lane on DYS, new curb and curb inlets, and resurfacing of DYS with new striping. Design was completed in 2014 with construction beginning in the spring of 2015.

ODOT will complete work in 2015 on two projects in Fairborn related to the change in the routing of State Route 444. The projects will expand the radii of three intersections: Dayton-Yellow Springs Road and Kauffman, Central Avenue and Dayton Drive, and Broad Street and Dayton Drive.

The Dayton Drive improvement project has received an ODOT Surface Transportation Program (STP) grant to widen and make improvements from Xenia Drive to Maple Avenue. This project has been scheduled for construction in fall of 2017.

Federal grant funding received through MVRPC has been awarded to Fairborn for five major road projects, including Kauffman Avenue widening, Colonel Glenn/Kauffman intersection improvements, Broad Street improvements from Sandhill Road to Spangler Road, Maple Avenue improvements from Doris Avenue to Dayton Drive, and Yellow Springs-Fairfield Road improvements from Spangler Road to the City corporation line. These are scheduled for construction between 2018 and 2021.

Long range planning for water and sewer systems is driven not only by anticipated growth but also by Ohio Environmental Protection Agency rules and mandates, advances in treatment and contamination detection technology, aging facilities, and the aesthetic demands of citizens. Many important projects are slated for the near future to improve the City's ability to meet and maintain current and future demands.

In 2015, the City will continue efforts to renew water and sewer infrastructure. This includes additional lining of sewer mains in an area identified during the sewer master plan as having inflow and infiltration problems. The increase in flow seen during rain events in this area significantly increases the capacity demand on the collection system, impacted lift station, and the water reclamation center. Water main replacement is also planned on Ramona Drive where frequent water main breaks have been experienced due to pipe condition.

Assuring continuous operation of the water and sewer systems is important to the health and welfare of Fairborn's citizens. Automatic generator projects at one of the city's well fields and a water booster station are underway and will be completed before year-end assuring the ability to provide service during loss of commercial power. A secondary water line to convey raw water from the well fields to the treatment plant is nearing design completion and is expected to go out

to bid before the end of 2015. Its construction will provide both redundancy and additional capacity.

In an effort to assure our ability to meet both current and future demands, a water master plan is being undertaken to look at the water distribution piping system, water towers, booster stations, and the water treatment plant. It is anticipated that the study will help fine tune the design and costs for projects in the 20-year planning horizon.

The 2014 Parks and Recreation master plan addresses the continued maintenance of existing parks, while continuing to monitor future needs for land acquisition and trail development. An updated street thoroughfare plan, including bikeways, provides the necessary data to pursue trail connectivity throughout the city to the newly completed regional Wright Brothers Huffman Prairie Bikeway. With the Central Avenue – Xenia Drive connector completed in 2015, the trail will provide the ability for travelers to come through Fairborn from the east or west and provide local bike enthusiasts the ability to travel west to Dayton and the Five Rivers Metroparks trails as well as east to Yellow Springs and the Little Miami trail system. The new thoroughfare plan will also identify the necessary local routes to develop providing safe travel to schools, parks, and businesses.

Fairfield Park's new Broad Street entrance will be constructed in 2015 and, with new landscaping, drainage and sports courts continuing in 2016, the park will be completely overhauled. The City is hopeful the new entrance, which provides for the first time a visible and attractive main gate for the park, will increase traffic flow to the local businesses in the area providing economic support to the region. Future projects also include renovations to Mercer Smith House, a new dog park, widening of the upper walk path in Community Park, a roof for the Atherton Amphitheater, lighting of Diamond 3 at Fairfield Park, and continued resurfacing of the existing sports courts.

A new public works building, to be known as the Public Works Services Administration Facility, was completed through the concept design phase and looks to potentially move forward in the next few years. This new facility would allow all divisions of public works (water/sewer, parks/recreation, building maintenance, street maintenance, and equipment maintenance) to reside under one roof, providing opportunities for efficiencies in public works operations and result in the demolition of dilapidated city buildings that would provide safer working conditions and improved housing for city vehicles and equipment.

In regards to community and economic development, the City has placed revitalization as a key long-term project moving forward. Specific areas of focus include all property adjacent to WPAFB including the Broad Street central business district, Kauffman Avenue, and National Road. Redevelopment within these areas will allow the community to capitalize on the needs and draw of Wright State University and Wright-Patterson Air Force Base.

In addition to revitalization the city is working on building substantial infrastructure projects that will spur economic activity for years to come. One project that will move forward in 2015 is the creation of a new 500+ acre industrial park which will provide ample land for future industrial development. Additionally, the current Valle Greene Business Park will be receiving its formal

site certification thus making the property more marketable to the business community. Lastly, major roadway improvements will take place in 2015 that will set the foundation for increased economic activity including Colonel Glenn Highway upgrades, National Road widening, Dayton-Yellow Springs Road upgrades, and Spangler Road/Broad Street upgrades.

To encourage military and civilian personnel to choose Fairborn as a place to reside, the City works to encourage new housing developments and to preserve existing housing stock. Strong residential growth that has occurred over the last several years likely will increase in the future with the addition of a variety of residential choices being offered within several planned developments. The largest housing development set to begin is the Bluffs on Trebein consisting of 185 single family homes at the \$225,000 - \$325,000 price point. Other notable developments under construction or in the planning stages include Waterford Landing and Candlelite Estates (single-family homes), Brinely Place (condominiums), and Redwood Communities (rentals).

Business outreach activity will build upon last year's effort which resulted in 227 total projects worked and over 1200 jobs created or retained within the community. Specifically, the economic development team is focused on the areas of business development, marketing, real estate (re)development, and internal policies as they relate to overall economic development strategy.

All of the City's major initiatives – whether improving the quality and capacity of infrastructure, enhancing the park system, revitalizing neighborhoods and business districts, enhancing business outreach, or preparing land for future development, are tied to the City's newest focus – making the City of Fairborn the “City of Choice” for the residential and business community.

Financial Information

Basis of Accounting

The City uses fund accounting to maintain its financial records and operates on a cash basis of accounting during the year. For the purposes of this report and to present the most accurate picture of the City's finances for the fiscal year ended December 31, the cash basis records are converted to the modified accrual and the accrual basis of accounting consistent with generally accepted accounting principles (GAAP) as applied to governmental units.

Internal Control Structure

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 ensure 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 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

The City adopts an annual budget that includes estimated revenues and appropriations (authorized spending levels) for the year for all funds except for certain agency funds. The budget is amended during the year as appropriate according to Ohio budgetary law. Budgetary control is maintained by encumbering appropriations prior to ordering goods or services or the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the purchase amount. Transaction detail for budgeted and actual revenues, appropriations, expenditures, and fund balances are available at any time via queries of the financial system or are contained in monthly reports. The legal level of budgetary control is by fund, department, and line item.

A more detailed description of the basis of accounting, budgetary process, and various funds and accounts utilized by the City are included in Note 2 to the basic financial statements.

Management's Discussion and Analysis (MD&A)

GASB Statement No. 34 requires management to provide an introductory overview and narrative, known as Management's Discussion and Analysis (MD&A), to accompany the basic financial statements. This transmittal letter is intended to be read in conjunction with this analysis. The MD&A can be found immediately following the independent Auditor's report.

Independent Audit

Ohio law and the City charter require an annual audit of the City's financial statements by an independent auditor. Plattenburg and Associates performed the audit for the year ended December 31, 2014, and included in this report is their unmodified opinion rendered on the City's basic financial statements. The annual audit also provides an opportunity for an independent review of the City's financial policies and procedures and the comments and recommendations generated continually strengthen the City's accounting and budgeting controls. The results of the audit are presented in the independent Auditor's report.

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, 2013. This was the twenty-fifth consecutive year the City 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 for the fiscal year ended December 31, 2014 continues to conform to program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate of achievement.

Acknowledgements

The preparation of this CAFR was made possible by the efficient and dedicated services of the entire staff of the finance department and fiscal personnel in other City departments. Special appreciation is expressed to Annetta Williams, assistant finance director, and supporting finance staff for their efforts and commitment to the preparation of this report and to ensuring it conforms to the highest standards in governmental financial reporting. We also thank the members of City council for their interest and support in planning and conducting the financial operations of the City of Fairborn in a responsible and progressive manner.

It is the mission of the finance department to serve the City and its citizens with the highest degree of fiscal responsibility and professionalism. By issuing this CAFR we endeavor to remain fiscally accountable in order to preserve the public's confidence in our ability to govern the City's finances.

Respectfully submitted,

Randall J. Groves, CPFO, CGFM
Finance Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO

City of Fairborn, Ohio

Principal Officials

December 31, 2014

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Dan Kirkpatrick, Mayor

James Hapner, Deputy Mayor

Rob Hoffman, Council Member

Paul Keller, Council Member

Marilyn McCauley, Council Member

Tim Steininger, Council Member

Donna Wilson, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

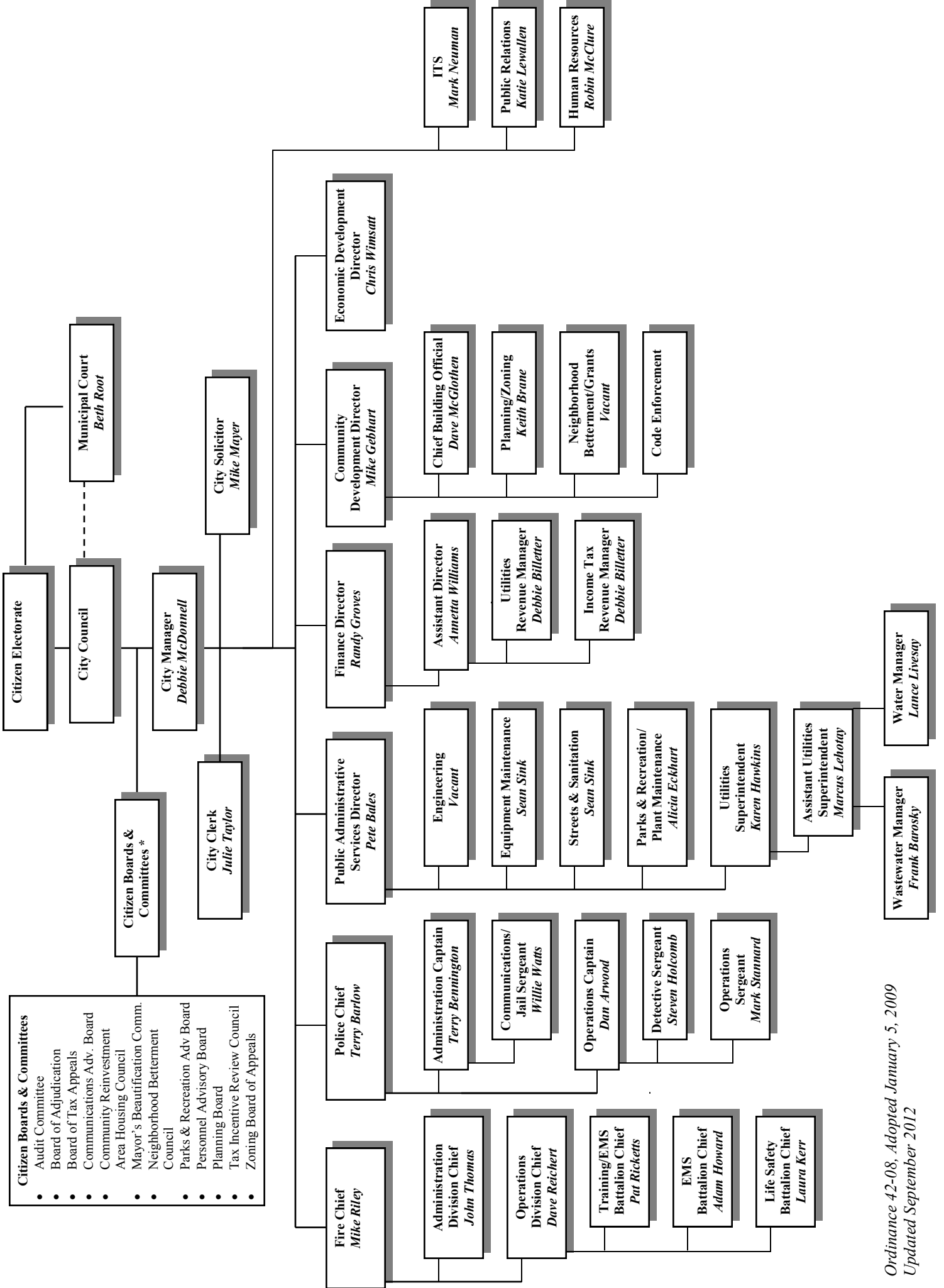
FINANCE DIRECTOR

Randall J. Groves

ASSISTANT FINANCE DIRECTOR

Annetta L. Williams

City of Fairborn Organizational Chart



Ordinance 42-08, Adopted January 5, 2009
Updated September 2012

F I N A N C I A L S E C T I O N



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council and City Manager
City of Fairborn

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Fire & EMS Fund, Police Fund and County Motor Vehicle Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 15, 2015

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis is an introspective look at the finances of the City of Fairborn for the year ending December 31, 2014, providing an overview of the City's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Governmental activities net position makes up 77 percent of the City's total net position. Net position of governmental activities dropped \$1 million while net position of business-type activities increased \$1.5 million, resulting in less than one percent increase in the City's total net position.
- Unrestricted governmental activities net position increased 8 percent to \$14.3 million.
- Unrestricted business-type activities net position increased 12 percent to \$15.5 million.
- The General Fund balance increased \$0.8 million to \$10.8 million.
- Business-type activities operations reflected an operating income of \$1.9 million and net position increased \$1.5 million to \$25.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements are presented so the reader can understand the City's financial situation as a whole and to give a detailed view of the City's fiscal condition.

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities. These government-wide financial statements provide information that will help the reader to determine if the City of Fairborn is financially better or worse as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities and

City of Fairborn, Ohio
Management's Discussion and Analysis
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(Unaudited)

deferred inflows of resources using the accrual basis of accounting which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes to that position. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Position and the Statement of Activities, the City's operations are divided into two kinds of activities, governmental activities and business-type activities.

Governmental Activities – Most of the City's services are reported here including police, fire and emergency medical services, court operations, community development, recreation, street maintenance and repair, and general government administration. Municipal income taxes, property taxes, intergovernmental revenues, court fines and costs, and charges for services finance most of these activities.

Business-type Activities – These activities consist of water, sewer, and sanitation services. Service charges for these operations are assessed based upon the amount of usage and a usage fee. The intent is that the fees charged to users provide sufficient funding to cover operating costs, capital outlay and associated debt service, while maintaining an appropriate reserve balance.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds is presented in the fund financial statements that begin on page 16. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and some by bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General, Fire and EMS, Police, County Motor Vehicle Tax, Water, Sewer, and Sanitation funds.

Governmental Funds

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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future on services provided to City residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Funds

Services for which the City charges its citizens fees to generate sufficient funding to cover operating costs, capital outlay and associated debt service are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the City's programs. All of the City's fiduciary assets and liabilities are reported in a separate Statement of Fiduciary Net Position.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Over time, net position can serve as a useful indicator of a government's financial position. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

	Table 1 Net Position						
	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
Assets							
Current Assets	\$32,270,136	\$35,486,555	\$16,940,671	\$16,632,741	\$49,210,807	\$52,119,296	(\$2,908,489)
Capital Assets, Net	65,532,464	65,213,298	25,368,592	25,603,788	90,901,056	90,817,086	83,970
Total Assets	97,802,600	100,699,853	42,309,263	42,236,529	140,111,863	142,936,382	(2,824,519)
Deferred Outflow of Resources							
Deferred Charges on Refunding	0	0	170,015	188,150	170,015	188,150	(18,135)
Liabilities							
Current and other liabilities	2,923,545	2,914,867	1,552,943	2,363,133	4,476,488	5,278,000	(801,512)
Long-term liabilities	4,059,121	5,905,499	15,301,661	15,909,550	19,360,782	21,815,049	(2,454,267)
Total Liabilities	6,982,666	8,820,366	16,854,604	18,272,683	23,837,270	27,093,049	(3,255,779)
Deferred Inflow of Resources							
Property Tax	4,835,562	5,016,075	0	0	4,835,562	5,016,075	(180,513)
Payment In Lieu Of Taxes	507,553	381,260	0	0	507,553	381,260	126,293
Total Deferred Inflows of Resources	5,343,115	5,397,335	0	0	5,343,115	5,397,335	(54,220)
Net Position							
Invested in capital assets, net of related debt	61,971,834	60,422,126	10,132,357	10,370,449	72,104,191	70,792,575	1,311,616
Restricted	9,206,263	12,832,977	0	0	9,206,263	12,832,977	(3,626,714)
Unrestricted	14,298,722	13,227,049	15,492,317	13,781,547	29,791,039	27,008,596	2,782,443
Total Net Position	\$85,476,819	\$86,482,152	\$25,624,674	\$24,151,996	\$111,101,493	\$110,634,148	\$467,345

City of Fairborn, Ohio
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For the Year Ended December 31, 2014
(Unaudited)

Governmental activities net position makes up 77 percent of the City's total net position. The unrestricted net position of governmental activities and of business-type activities increased in 2014 by \$1.1 million and \$1.7 million, respectively, and the total net position of the City as a whole increased \$0.5 million to \$111.1 million.

Table 2 shows the changes in net position for the year ended December 31, 2014 compared to 2013.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$7,055,422	\$7,157,324	\$13,755,039	\$13,446,306	\$20,810,461	\$20,603,630
Operating Grants and Contributions	3,306,043	3,001,991	0	0	3,306,043	3,001,991
Capital Grants and Contributions	935,184	857,836	62,027	0	997,211	857,836
Total Program Revenues	11,296,649	11,017,151	13,817,066	13,446,306	25,113,715	24,463,457
General Revenues:						
Property Taxes	5,328,886	5,256,097	0	0	5,328,886	5,256,097
Other Local Taxes	828,945	823,386	0	0	828,945	823,386
Revenue in Lieu of Taxes	419,134	362,657	0	0	419,134	362,657
Income Taxes	12,118,186	11,603,276	0	0	12,118,186	11,603,276
Grants and Entitlements not Restricted to Specific Programs	968,659	1,271,868	0	0	968,659	1,271,868
Investment Earnings	442,641	(53,893)	30,708	13,118	473,349	(40,775)
Other	580,160	418,299	149,596	36,957	729,756	455,256
Total General Revenues	20,686,611	19,681,690	180,304	50,075	20,866,915	19,731,765
Total Revenues	31,983,260	30,698,841	13,997,370	13,496,381	45,980,630	44,195,222
Program Expenses:						
General Government	9,957,291	10,125,094	0	0	9,957,291	10,125,094
Public Safety	14,285,206	13,969,809	0	0	14,285,206	13,969,809
Leisure Time Activities	404,947	452,199	0	0	404,947	452,199
Community Development	4,681,346	1,156,363	0	0	4,681,346	1,156,363
Transportation and Street Repair	3,328,628	2,617,619	0	0	3,328,628	2,617,619
Public Health and Welfare	116,391	103,185	0	0	116,391	103,185
Interest and Fiscal Charges	214,784	270,515	0	0	214,784	270,515
Water	0	0	4,468,043	4,038,081	4,468,043	4,038,081
Sewer	0	0	5,484,171	5,578,285	5,484,171	5,578,285
Sanitation	0	0	2,572,478	2,721,970	2,572,478	2,721,970
Total Expenses	32,988,593	28,694,784	12,524,692	12,338,336	45,513,285	41,033,120
Change in Net Position before Transfers	(1,005,333)	2,004,057	1,472,678	1,158,045	467,345	3,162,102
Transfers	0	(301,372)	-	301,372	0	0
Change in Net Position	(1,005,333)	1,702,685	1,472,678	1,459,417	467,345	3,162,102
Net Position January 1	86,482,152	84,779,467	24,151,996	22,692,579	110,634,148	107,472,046
Net Position December 31	\$85,476,819	\$86,482,152	\$25,624,674	\$24,151,996	\$111,101,493	\$110,634,148

While there was a \$1.3 increase in total governmental activities revenue in 2014, governmental activities expenses increased by \$4.3 million and the net position of governmental activities decreased \$1 million in 2014 to \$85.5 million. Revenues of the business-type activities exceeded expenses by \$1.5 million and net position increased to \$25.6 million. The total net position of the City as a whole increased in 2014 by \$.5 million over the prior year to \$111.1 million.

City of Fairborn, Ohio
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Governmental Activities

The City's governmental activity expenses are funded partially through program revenues consisting of charges for services and operating and capital grants and contributions. Program revenues were up 2.5 percent in 2014 despite charges for services being down slightly as operating and capital grants brought in 10 percent more than the previous year. Program revenues were just 35 percent of total governmental activity revenues in 2014 and thus the City relied heavily on general revenues to fund program expenses.

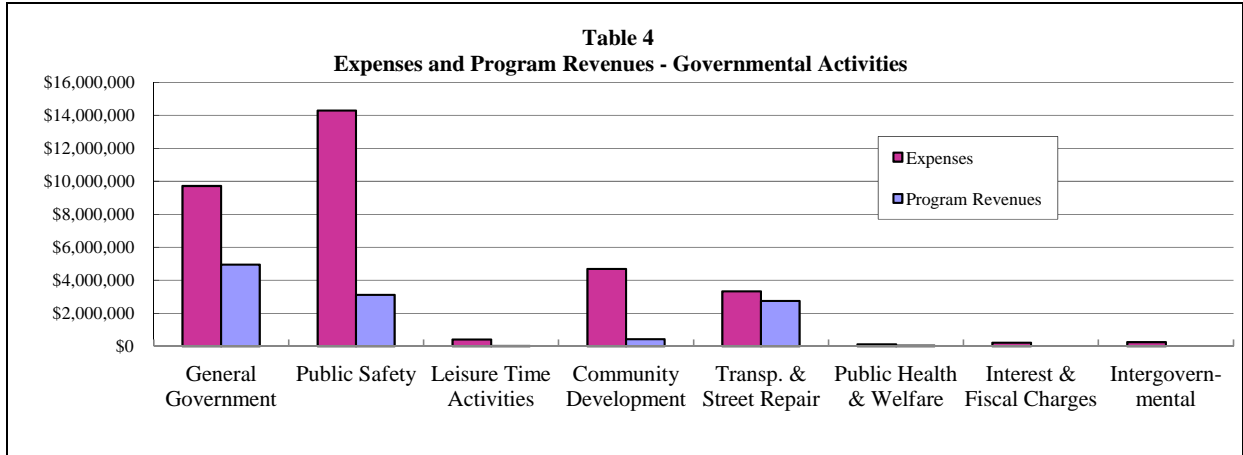
General revenues fund the vast majority of governmental activities and consist mainly of property and income taxes. Total general revenues were \$1 million greater than the previous year and included a 4 percent increase in income taxes. The City's reliance upon tax revenues from property owners, residents, and non-residents working in the City is demonstrated in Table 3, which shows that tax revenues account for approximately 59 percent of total governmental activity revenues. The City's income tax is 1.5 percent of all salaries, wages, commissions and other compensation, and net profits earned from residents living within the City, as well as salaries and wages earned by non-residents that work within 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.

<u>Governmental Activity Revenues</u>	<u>2014</u>	<u>% of Total</u>
General Revenues - Taxes	\$ 18,695,151	59%
General Revenues - Grants/Entitlements	968,659	3%
General Revenues - Other	1,022,801	3%
Program Revenues	11,296,649	35%
Total	<u>\$ 31,983,260</u>	100%

A 3D pie chart illustrating the composition of governmental activity revenues. The largest slice is Taxes at 59%, followed by Program Revenues at 35%. Grants/Entitlements and Other each account for 3% of the total.

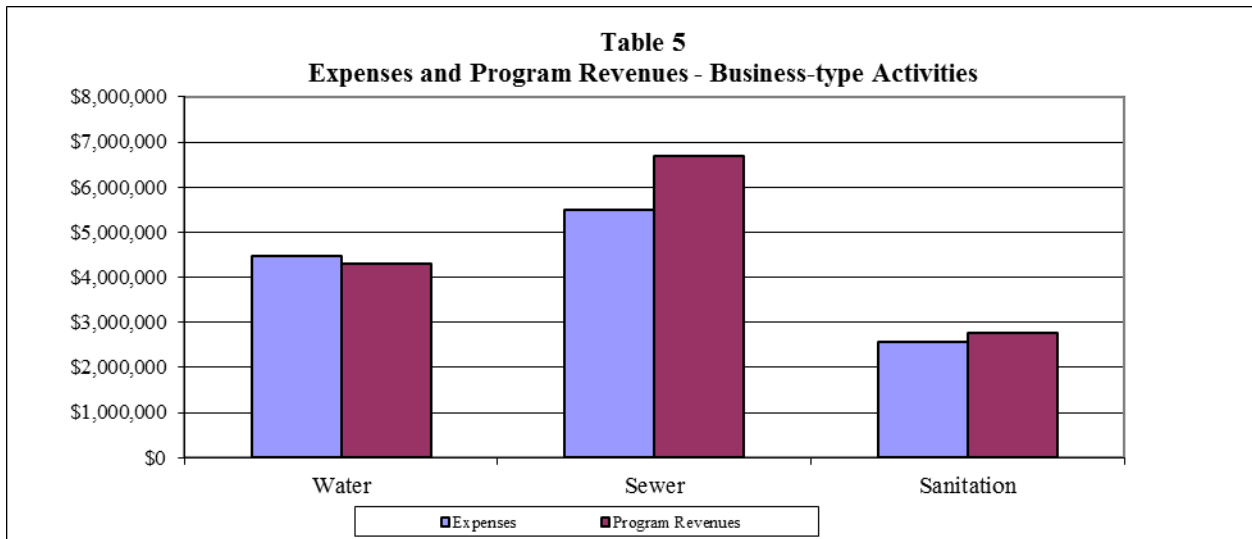
Governmental activity expenses increased 15 percent in 2014 and exceeded program revenues by \$21.7 million. However, with an infusion of a total of \$20.7 million of general revenues, the City just realized a \$1 million decrease in the net position of governmental activities to \$85.5 million at December 31, 2014. Table 4 demonstrates graphically the disparity between governmental activities expenses and the program revenues that are generated to support these services.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)



Business-type Activities

Net position of the City's Water and Sewer Funds constitute 96 percent of the business-type activities net position, with the Sanitation Fund making up the remainder. Business-type activities net position rose 6 percent to \$25.6 million. Business-type activities receive no support from tax revenues. Both the Water Fund and the Sewer Fund had rate increases of 5 percent to water and 2 percent to sewer usage. The net position of the Sanitation Fund increased 29 percent due mainly from the 3.3 percent rate increase to residents for waste removal for the year. The rate increase was the last of a three-year stepped increase established in 2012 to sustain operations after competitive bids resulted in an increase to contracted residential waste removal services. Table 5 summarizes 2014 expenses and program revenues for business-type activities.



City of Fairborn, Ohio
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For the Year Ended December 31, 2014
(Unaudited)

THE CITY'S FUNDS

The financial activity for governmental funds is reported with a focus on the near-term flow of expendable resources which assists in demonstrating fiscal accountability. Thus, fund balances provide us with a snapshot of what resources are available at year-end for near-term spending, and an analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means."

The City has four major governmental funds including the General, Fire and EMS, Police and County Motor Vehicle Tax funds, which combine for 75 percent of all governmental fund balances and 76 percent of the governmental funds' total assets of \$32.5 million.

General Fund: General Fund expenditures were 10 percent greater than the previous year as a 2.5 percent cost of living wage increase and a 5 percent increase in health insurance premiums increased personal services expenditures, which account for approximately 62 percent of expenditures (excluding transfers out). Increases to the amounts transferred out for fire and police operations resulted in a total 12 percent increase to expenditures and transfers in 2014. Increases to income taxes, court fines, and investment earnings exceeded reductions in property taxes, charges for services, and intergovernmental revenues and General Fund revenues in 2014 were over a half million dollars greater than 2013. As a result, total revenues again outpaced expenditures and transfers in 2014 by \$0.8 million and the General Fund balance rose to \$10.8 million.

Fire and EMS Fund: Fire and emergency medical service (EMS) operations are accounted for in the Fire and EMS Fund. Property taxes and EMS billings are the most significant sources of revenue for this fund, which also relies on transfers from the General Fund that are made monthly in amounts as needed with the intent that this fund maintain a minimum cash balance. Accrued revenues exceeded accrued expenditures at year-end increasing the December 31, 2014 fund balance to \$90,765.

The 5-year, 4.4 mill property tax levy approved by voters in 2011 contributes greatly to lessening the burden on the General Fund to subsidize fire and EMS operations with transfers. Total property tax collections were \$2.2 million in 2014, the third year of the five year collection period. General Fund transfers-in of \$2.1 million in 2014 were \$0.4 million greater than the previous year which indicates that while the annual subsidy is still less than before the tax levies existed, the need for the subsidies is increasing. The main reason for this is that by Ohio law property tax revenues generated by this levy remain fairly steady over the five year life of the levy; however expenditures, particularly for personal services (mainly salaries and health insurance), continue to rise.

Intergovernmental revenues decreased in 2014 as the Staffing for Adequate Fire and Emergency Response (SAFER) grant period ended. The SAFER grant covered the salaries and benefits for three firefighters for two years. Although there was no requirement to maintain the firefighters on staff after the grant expired, the city elected to maintain the former grant-funded positions at least into the near future and subject to budgetary considerations. Therefore, with the three positions absorbed into future operating budgets and grant funding ended it is expected there will be a need for increased General Fund transfers to this fund into the future.

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(Unaudited)

Police Fund: Police operations are accounted for in the Police Fund, which also benefits from a five-year 4.4 mill property tax levy approved in November 2011, which raised \$2.2 million in 2014.

In addition to the property tax revenues the General Fund subsidizes a large portion of police operations with monthly transfers in amounts as needed with the intent that a minimum cash balance is maintained. Transfers from the General Fund in 2014 totaling \$4 million were \$0.33 million greater than the previous year for the same reason as explained above for the Fire and EMS Fund. Accrued revenues exceeded accrued expenditures at year-end increasing the December 31, 2014 fund balance to negative \$62,701.

County Motor Vehicle Tax Fund: The County Motor Vehicle Tax Fund accounts for revenues received from a ten-year, 0.25 percent income tax levy and permissive motor vehicle license taxes, and is used for street maintenance, repair and resurfacing. The income tax levy expired with the 2014 collections, which totaled just under \$2 million for the year. Although increased grant funding helped increase revenues over the previous year's level, the fund balance decreased \$1.1 million as certain projects were paid for from monies received in the previous year that resided in the fund balance. Major projects funded in 2014 included improvements to Spangler Road, Colonel Glenn Highway, and Dayton-Yellow Springs Road, the Broad Street signal interconnect project, and the resurfacing of thirty-six streets and thoroughfares.

While the income tax levy referred to above expired with 2014 collections, city residents approved another ten-year, 0.25 percent income tax levy for the same purpose in the November 2014 election. The new levy will fund street maintenance, repair, and resurfacing for the years 2015 through 2024.

General Fund Budgetary Highlights

The City's budget is required by Ohio law and is prepared on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund, which was originally budgeted to remain at \$8.5 million after 2014 operations. However, with actual revenues exceeding amounts budgeted and actual expenditures less than budgeted, the General Fund balance improved to \$8.9 million.

Actual revenues were less than one percent greater than original and final budgeted revenues as court fines and investment earnings exceeded budgeted amounts. Intergovernmental revenues also exceeded amounts budgeted as the City unexpectedly received \$145,975 of estate taxes which were eliminated by the State of Ohio effective January 1, 2013. These revenues exceeding their budget more than offset actual income taxes which were 2 percent less than budgeted.

General Fund actual expenditures were less than the original and final budgeted amounts. Of the \$15.5 million in expenditures and other financing uses, 46 percent were expended for general government services which consist of community planning, building inspection, property maintenance code enforcement, parks and recreation, engineering, facility and grounds maintenance, vehicle and equipment maintenance, city administration, finance, human resources, and municipal court operations.

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Transfers-out of \$6.6 million were used to subsidize various city operations including police, fire, cemetery, and victim assistance and also to provide funding for general capital outlay, maintenance, or debt associated with City building and land capital improvements including the City's portion of curb and sidewalk program and handicap ramps; storm sewer and catch basin repair; bikeway connector design; and debt associated with previous Court renovation and dispatch center improvements. Transfers to the Fire and EMS Fund (\$2.1 million) and the Police Fund (\$4 million) make up by far the vast majority of these transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets represent all assets over the capitalization threshold used in operations that have an initial useful life of greater than one year. Table 6 summarizes the capital assets of governmental and business-type activities, net of accumulated depreciation.

Table 6						
Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$14,671,551	\$14,346,118	\$94,542	\$94,542	\$14,766,093	\$14,440,660
Construction in Progress	1,673,089	464,353	1,284,685	395,993	2,957,774	860,346
Buildings	12,507,117	12,981,497	17,364,223	18,056,303	29,871,340	31,037,800
Improvements Other						
Than Buildings	957,877	987,132	82,892	190,442	1,040,769	1,177,574
Machinery and Equipment	1,385,878	1,476,530	573,149	274,791	1,959,027	1,751,321
Vehicles	2,493,339	2,688,586	559,845	686,965	3,053,184	3,375,551
Infrastructure	31,843,613	32,269,082	5,409,256	5,904,752	37,252,869	38,173,834
Total	<u>\$65,532,464</u>	<u>\$65,213,298</u>	<u>\$25,368,592</u>	<u>\$25,603,788</u>	<u>\$90,901,056</u>	<u>\$90,817,086</u>

Total capital assets used in governmental activities are less than one half of one percent greater than the previous year as the value of additions to capital assets were essentially canceled by deletions and depreciation. Increases to construction in progress were from various street projects occurring in the city, the most significant of which were improvements to Spangler Road, the Dayton Drive widening and bikeway connector project, and the Broad Street signal interconnect. Additions to governmental activity infrastructure were the result of improvements made to Colonel Glenn Highway, the completion of new streets in the Waterford Landing residential subdivision, and the improvements to thirty-five streets falling in the 2014 street resurfacing program that is funded with the .25 percent income tax.

Construction in progress in business-type activities increased in 2014 from water and sewer improvements on Spangler Road, the Northwest force main and lift station project, and Mad River well field generator. The net effect of all additions, deletions, and depreciation was a one

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

percent decrease to capital assets used in business-type activities. See Note 10 in the notes to the basic financial statements for further details on the City's capital assets.

Debt Administration

Table 7 summarizes the 2014 and 2013 long-term debt activity of governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Long-term Notes	\$311,734	\$448,650	\$100,459	\$100,211	\$412,193	\$548,861
General Obligation Bonds	200,117	310,233	7,334,795	7,527,286	7,534,912	7,837,519
Revenue Bonds	-	1,273,146	-	-	-	1,273,146
Tax Increment Financing Bonds	1,486,714	1,574,268	-	-	1,486,714	1,574,268
Refunding Bonds	-	-	7,304,937	7,579,660	7,304,937	7,579,660
Special Assessment Bonds	785,943	1,007,055	90,000	100,000	875,943	1,107,055
Loans	-	-	25,028	41,714	25,028	41,714
Landfill Closure and Postclosure	-	-	224,928	255,415	224,928	255,415
Capital Leases	90,631	124,369	60,514	117,313	151,145	241,682
Compensated Absences Payable	1,183,982	1,167,778	161,000	187,951	1,344,982	1,355,729
Totals	\$4,059,121	\$5,905,499	\$15,301,661	\$15,909,550	\$19,360,782	\$21,815,049

Governmental activity debt was reduced by 31 percent in 2014. Long-term notes were reduced as the City paid down \$67,500 in bond anticipation notes issued for police radios and the dispatch system, and a \$70,000 curb and sidewalk note was converted to bonds. Total outstanding bonds were reduced by scheduled bond principal and interest payments, the most significant of which was the last \$1.3 million payment on the income tax revenue bonds originally issued in 2005 to finance the construction and remodeling of the four fire stations in the City. Outstanding business-type activity debt was four percent less from scheduled debt service and there was one new debt issuance in 2014 for \$100,000.

See Note 18 in the notes to the basic financial statements for further details on the City's long-term obligations.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report or requests for additional financial information can be directed to Randy Groves, Finance Director, at the Fairborn Government Center (44 West Hebble Avenue, Fairborn, Ohio 45324; 937-754-3005) or through the City's website at www.ci.fairborn.oh.us/dept/finance.

City of Fairborn, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$18,801,526	\$14,923,279	\$33,724,805
Property Taxes Receivable	5,202,638	0	5,202,638
Other Local Taxes Receivable	121,576	0	121,576
Municipal Income Taxes Receivable	4,562,438	0	4,562,438
Revenue in Lieu of Taxes Receivable	507,553	0	507,553
Accounts Receivable	265,982	1,394,327	1,660,309
Intergovernmental Receivable	1,695,771	0	1,695,771
Accrued Interest Receivable	45,874	0	45,874
Internal Balances	(290,179)	290,179	0
Special Assessments Receivable	785,914	90,000	875,914
Assets Held for Resale	209,029	0	209,029
Materials and Supplies Inventory	362,014	242,886	604,900
Nondepreciable Capital Assets	16,344,640	1,379,227	17,723,867
Depreciable Capital Assets, net	49,187,824	23,989,365	73,177,189
<i>Total Assets</i>	<u>97,802,600</u>	<u>42,309,263</u>	<u>140,111,863</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	170,015	170,015
Liabilities:			
Accounts Payable	329,210	363,879	693,089
Contracts Payable	257,567	21,769	279,336
Retainage Payable	70,149	986	71,135
Accrued Wages Payable	651,741	88,522	740,263
Matured Compensated Absences Payable	24,584	0	24,584
Intergovernmental Payable	600,161	71,683	671,844
Refundable Deposits	0	239,559	239,559
Accrued Interest Payable	16,494	44,029	60,523
Notes Payable	973,639	722,516	1,696,155
Long-Term Liabilities:			
Due Within One Year	1,373,083	810,588	2,183,671
Due in More Than One Year	2,686,038	14,491,073	17,177,111
<i>Total Liabilities</i>	<u>6,982,666</u>	<u>16,854,604</u>	<u>23,837,270</u>
Deferred Inflows of Resources:			
Property Taxes	4,835,562	0	4,835,562
Payments in Lieu of Taxes	507,553	0	507,553
<i>Total Deferred Inflows of Resources</i>	<u>5,343,115</u>	<u>0</u>	<u>5,343,115</u>
Net Position:			
Net Investment in Capital Assets	61,971,834	10,132,357	72,104,191
Restricted for Debt Service	1,067,145	0	1,067,145
Restricted for Capital Outlay	1,147,565	0	1,147,565
Restricted for Public Safety	887,275	0	887,275
Restricted for Transportation and Street Repair	5,464,201	0	5,464,201
Restricted for Community Development	229,554	0	229,554
Restricted for General Government	410,523	0	410,523
Unrestricted	14,298,722	15,492,317	29,791,039
<i>Total Net Position</i>	<u>\$85,476,819</u>	<u>\$25,624,674</u>	<u>\$111,101,493</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$9,957,291	\$4,894,322	\$0	\$54,602
Public Safety	14,285,206	2,056,636	1,064,798	0
Leisure Time Activities	404,947	18,477	0	1,642
Community Development	4,681,346	26,642	397,905	0
Transportation and Street Repair	3,328,628	26,954	1,843,340	878,940
Public Health and Welfare	116,391	32,391	0	0
Interest and Fiscal Charges	214,784	0	0	0
<i>Total Governmental Activities</i>	<u>32,988,593</u>	<u>7,055,422</u>	<u>3,306,043</u>	<u>935,184</u>
Business-Type Activities:				
Water	4,468,043	4,304,620	0	36,480
Sewer	5,484,171	6,687,253	0	25,547
Sanitation	2,572,478	2,763,166	0	0
<i>Total Business-Type Activities</i>	<u>12,524,692</u>	<u>13,755,039</u>	<u>0</u>	<u>62,027</u>
<i>Totals</i>	<u>\$45,513,285</u>	<u>\$20,810,461</u>	<u>\$3,306,043</u>	<u>\$997,211</u>

General Revenues:
Property Taxes Levied For:
 General Purposes
 Fire and EMS
 Police
Other Local Taxes
Revenue in Lieu of Taxes
Municipal Income Taxes Levied For:
 General Purposes
 Street Programs
 Capital Outlay
Grants and Entitlements not
 Restricted to Specific Programs
Investment Earnings
Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$5,008,367)	\$0	(\$5,008,367)
(11,163,772)	0	(11,163,772)
(384,828)	0	(384,828)
(4,256,799)	0	(4,256,799)
(579,394)	0	(579,394)
(84,000)	0	(84,000)
(214,784)	0	(214,784)
<u>(21,691,944)</u>	<u>0</u>	<u>(21,691,944)</u>
0	(126,943)	(126,943)
0	1,228,629	1,228,629
<u>0</u>	<u>190,688</u>	<u>190,688</u>
<u>0</u>	<u>1,292,374</u>	<u>1,292,374</u>
<u>(21,691,944)</u>	<u>1,292,374</u>	<u>(20,399,570)</u>
847,262	0	847,262
2,240,812	0	2,240,812
2,240,812	0	2,240,812
828,945	0	828,945
419,134	0	419,134
8,080,790	0	8,080,790
2,018,698	0	2,018,698
2,018,698	0	2,018,698
968,659	0	968,659
442,641	30,708	473,349
<u>580,160</u>	<u>149,596</u>	<u>729,756</u>
<u>20,686,611</u>	<u>180,304</u>	<u>20,866,915</u>
(1,005,333)	1,472,678	467,345
<u>86,482,152</u>	<u>24,151,996</u>	<u>110,634,148</u>
<u>\$85,476,819</u>	<u>\$25,624,674</u>	<u>\$111,101,493</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Fire and EMS Fund	Police Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$9,858,000	\$296,135	\$312,844
Receivables:			
Property Taxes	831,166	2,185,736	2,185,736
Other Local Taxes	96,693	0	0
Municipal Income Taxes	3,041,692	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	599,000	0	0
Accounts	0	183,117	0
Special Assessments	0	0	0
Accrued Interest	45,874	0	0
Intergovernmental	509,163	174,345	139,830
Assets Held for Resale	0	0	0
Materials and Supplies Inventory	23,665	0	19,485
<i>Total Assets</i>	<u>\$15,005,253</u>	<u>\$2,839,333</u>	<u>\$2,657,895</u>
Liabilities:			
Accounts Payable	\$228,652	\$12,748	\$5,696
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	1,943	6,513	7,593
Accrued Wages Payable	181,776	196,651	197,804
Matured Compensated Absences Payable	24,584	0	0
Intergovernmental Payable	147,041	213,382	184,037
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>583,996</u>	<u>429,294</u>	<u>395,130</u>
Deferred Inflows of Resources:			
Property Taxes	770,830	2,032,366	2,032,366
Payments in Lieu of Taxes	0	0	0
Unavailable Revenue	2,829,088	286,908	293,100
<i>Total Deferred Inflows of Resources</i>	<u>3,599,918</u>	<u>2,319,274</u>	<u>2,325,466</u>
Fund Balances:			
Nonspendable	23,665	0	19,485
Restricted	0	90,765	0
Committed	0	0	0
Assigned	755,130	0	0
Unassigned (Deficit)	10,042,544	0	(82,186)
<i>Total Fund Balances (Deficit)</i>	<u>10,821,339</u>	<u>90,765</u>	<u>(62,701)</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$15,005,253</u>	<u>\$2,839,333</u>	<u>\$2,657,895</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,324,094	\$4,529,521	\$18,320,594
0	0	5,202,638
0	24,883	121,576
760,373	760,373	4,562,438
0	507,553	507,553
0	0	599,000
0	82,865	265,982
0	785,914	785,914
0	0	45,874
275,731	596,702	1,695,771
0	209,029	209,029
0	181,089	224,239
<u>\$4,360,198</u>	<u>\$7,677,929</u>	<u>\$32,540,608</u>
\$0	\$40,496	\$287,592
254,799	2,768	257,567
70,149	0	70,149
0	604,798	620,847
0	46,383	622,614
0	0	24,584
0	33,228	577,688
3,115	1,178	4,293
906,139	67,500	973,639
<u>1,234,202</u>	<u>796,351</u>	<u>3,438,973</u>
0	0	4,835,562
0	507,553	507,553
606,875	1,845,962	5,861,933
<u>606,875</u>	<u>2,353,515</u>	<u>11,205,048</u>
0	181,089	224,239
2,519,121	3,452,634	6,062,520
0	309,296	309,296
0	625,356	1,380,486
0	(40,312)	9,920,046
<u>2,519,121</u>	<u>4,528,063</u>	<u>17,896,587</u>
<u>\$4,360,198</u>	<u>\$7,677,929</u>	<u>\$32,540,608</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2014*

Total Governmental Fund Balances	\$17,896,587
<i>Amounts reported for governmental activities in the Statement of Net Position is different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Capital Assets:	
Land	14,671,551
Construction in Progress	1,673,089
Buildings	19,713,641
Improvements Other Than Buildings	2,588,731
Machinery and Equipment	5,149,874
Vehicles	6,129,513
Infrastructure	73,753,846
Accumulated Depreciation	<u>(58,147,781)</u>
Total	65,532,464
Internal service funds are used by management to charge the costs of equipment repairs and maintenance, information technology services and payments of employee assistance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	
Net Position	658,490
Capital Assets	(190,329)
Capital Lease Payable	23,557
Compensated Absences Payable	<u>61,582</u>
Total	553,300
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.	
	(296,143)
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:	
Property Taxes	367,076
Municipal Income Taxes	3,641,249
Intergovernmental	974,063
Special Assessments	785,914
Accounts	82,865
Accrued Interest	<u>10,766</u>
Total	5,861,933
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	
	(12,201)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Premium on Debt Issued	(40,508)
Notes Payable	(310,000)
General Obligation Bonds	(200,000)
Income Tax Revenue Bonds	(1,450,000)
Special Assessment Bonds	(784,000)
Capital Leases Payable	(90,631)
Compensated Absences Payable	<u>(1,183,982)</u>
Total	<u>(4,059,121)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$85,476,819</u></u>

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Fire and EMS Fund	Police Fund
Revenues:			
Property Taxes	\$837,021	\$2,216,596	\$2,216,596
Other Local Taxes	677,654	0	0
Municipal Income Taxes	7,942,785	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses, and Permits	1,255,272	2,665	2,565
Charges for Services	3,112,725	1,945,580	50,246
Investment Earnings	408,113	0	0
Intergovernmental	1,083,431	524,947	396,893
Special Assessments	0	0	0
Contributions and Donations	0	0	0
Other	218,462	59,446	92,940
<i>Total Revenues</i>	<u>15,535,463</u>	<u>4,749,234</u>	<u>2,759,240</u>
Expenditures:			
Current:			
General Government	6,568,073	0	0
Public Safety	0	6,665,478	6,524,144
Leisure Time Activities	229,166	0	0
Community Development	1,105,639	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	173,160	1,080	124,000
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	11,856	5,839	0
Interest and Fiscal Charges	1,912	942	0
<i>Total Expenditures</i>	<u>8,089,806</u>	<u>6,673,339</u>	<u>6,648,144</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,445,657</u>	<u>(1,924,105)</u>	<u>(3,888,904)</u>
Other Financing Sources (Uses):			
Notes Issued	0	0	0
Proceeds from Sale of Capital Assets	0	0	4,171
Transfers-In	0	2,096,837	4,018,333
Premium on Debt Issued	0	0	0
Transfers-Out	(6,640,818)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,640,818)</u>	<u>2,096,837</u>	<u>4,022,504</u>
<i>Net Change in Fund Balances</i>	804,839	172,732	133,600
<i>Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)</i>	<u>10,016,500</u>	<u>(81,967)</u>	<u>(196,301)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$10,821,339</u>	<u>\$90,765</u>	<u>(\$62,701)</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$5,270,213
0	151,291	828,945
1,984,197	1,984,197	11,911,179
0	419,134	419,134
26,954	522,345	1,809,801
0	262,261	5,370,812
27,198	52,786	488,097
614,734	2,102,886	4,722,891
0	295,972	295,972
0	5,384	5,384
30,272	179,040	580,160
<u>2,683,355</u>	<u>5,975,296</u>	<u>31,702,588</u>
0	553,153	7,121,226
0	307,165	13,496,787
0	0	229,166
0	549,612	1,655,251
1,853,695	1,404,769	3,258,464
0	115,122	115,122
1,930,383	1,171,249	3,399,872
0	253,670	253,670
0	2,118,329	2,136,024
5,685	246,519	255,058
<u>3,789,763</u>	<u>6,719,588</u>	<u>31,920,640</u>
<u>(1,106,408)</u>	<u>(744,292)</u>	<u>(218,052)</u>
0	310,000	310,000
0	0	4,171
0	538,948	6,654,118
0	6,935	6,935
0	(13,300)	(6,654,118)
<u>0</u>	<u>842,583</u>	<u>321,106</u>
(1,106,408)	98,291	103,054
<u>3,625,529</u>	<u>4,429,772</u>	<u>17,793,533</u>
<u>\$2,519,121</u>	<u>\$4,528,063</u>	<u>\$17,896,587</u>



City of Fairborn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014*

Net Change in Fund Balances - Total Governmental Funds \$103,054

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of

Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	3,416,733
Capital assets donated by developers	519,849
Capital assets transferred from business-type activities	18,909
Depreciation	<u>(3,521,942)</u>

Excess of Capital Outlay and Capital Contributions over Depreciation Expense 433,549

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.

Proceeds from Sale of Capital Assets	(4,171)
Loss on Disposal of Capital Assets	<u>(110,212)</u>

Total (114,383)

Certain community development expenses reported on the statements of activities related to the donation of economic development properties do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (2,995,917)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Notes Payable	447,500
General Obligation Bonds	110,000
Income Tax Revenue Bonds	1,245,000
Tax Increment Financing Revenue Bonds	85,000
Special Assessment Bonds	221,000
Capital Leases Payable	<u>33,738</u>

Total 2,142,238

The Internal Service Funds used by management to charge the costs of equipment repairs and maintenance to individual funds, is reported in the Statement of Activities. The changes in net position of the internal service funds are reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business-type activities.

Change in Net Position	(27,426)
Capital Assets	20,544
Compensated Absences	(27,378)
Capital Lease Payable	(6,215)
Interest and Fiscal Charges	1,002
Adjustment to business type activities	<u>(1,355)</u>

Total (40,828)

Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the funds. Deferred inflows of resources related to the following items changed by the amounts shown below:

Property Taxes	58,673
Municipal Income Taxes	207,007
Investment Earnings	(3,372)
Charges for Services	(180,476)
Intergovernmental	(128,528)
Special Assessments	<u>(193,485)</u>

Total (\$240,181)

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014
(Continued)*

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.		
Premium on Debt	(\$6,935)	
Notes	<u>(310,000)</u>	
Total		(316,935)
Amortization of bond premiums as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as expenses over the life of the debt in the Statement of Activities.		
Accrued Interest	3,997	
Amortization of Premium	37,279	
Interest and Fiscal Charges of Internal Service Funds	<u>(1,002)</u>	
Total		40,274
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Increase in Compensated Absences		<u>(16,204)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$1,005,333)</u></u>
See accompanying notes to the basic financial statements		

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$876,906	\$837,021	\$837,021	\$0
Other Local Taxes	700,000	700,000	674,872	(25,128)
Municipal Income Taxes	8,143,633	8,143,633	8,012,051	(131,582)
Fines, Licenses and Permits	1,095,500	1,095,500	1,225,627	130,127
Charges for Services	3,266,457	3,205,190	3,112,725	(92,465)
Investment Earnings	40,000	40,000	154,320	114,320
Intergovernmental	987,082	986,956	1,114,371	127,415
Other	78,514	159,417	172,464	13,047
<i>Total Revenues</i>	15,188,092	15,167,717	15,303,451	135,734
Expenditures:				
Current:				
General Government	7,362,281	7,344,577	7,082,687	261,890
Leisure Time Activities	258,435	249,827	238,454	11,373
Community Development	1,286,278	1,221,203	1,128,747	92,456
Capital Outlay	52,357	324,731	316,836	7,895
<i>Total Expenditures</i>	8,959,351	9,140,338	8,766,724	373,614
<i>Excess of Revenues Over Expenditures</i>	6,228,741	6,027,379	6,536,727	509,348
Other Financing Sources (Uses):				
Transfers-In	7,530	0	0	0
Advances-Out	(136,300)	(130,000)	(130,000)	0
Transfers-Out	(6,716,928)	(6,642,357)	(6,640,818)	1,539
<i>Total Other Financing Sources (Uses)</i>	(6,845,698)	(6,772,357)	(6,770,818)	1,539
<i>Net Change in Fund Balance</i>	(616,957)	(744,978)	(234,091)	510,887
<i>Fund Balance at Beginning of Year</i>	8,569,436	8,569,436	8,569,436	0
<i>Prior Year Encumbrances Appropriated</i>	563,752	563,752	563,752	0
<i>Fund Balance at End of Year</i>	\$8,516,231	\$8,388,210	\$8,899,097	\$510,887

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,275,510	\$2,216,596	\$2,216,596	\$0
Fines, Licenses and Permits	1,200	1,200	2,665	1,465
Charges for Services	1,975,485	1,987,410	1,955,501	(31,909)
Intergovernmental	548,141	549,010	544,107	(4,903)
Other	1,000	1,000	59,446	58,446
<i>Total Revenues</i>	<u>4,801,336</u>	<u>4,755,216</u>	<u>4,778,315</u>	<u>23,099</u>
Expenditures:				
Current:				
Public Safety	6,859,617	6,965,937	6,864,600	101,337
Capital Outlay	1,500	1,500	1,500	0
<i>Total Expenditures</i>	<u>6,861,117</u>	<u>6,967,437</u>	<u>6,866,100</u>	<u>101,337</u>
<i>Excess of Revenues Under Expenditures</i>	(2,059,781)	(2,212,221)	(2,087,785)	124,436
Other Financing Sources:				
Transfers-In	1,922,000	2,118,837	2,096,837	(22,000)
<i>Net Change in Fund Balance</i>	(137,781)	(93,384)	9,052	102,436
<i>Fund Balance at Beginning of Year</i>	5,987	5,987	5,987	0
<i>Prior Year Encumbrances Appropriated</i>	136,182	136,182	136,182	0
<i>Fund Balance at End of Year</i>	<u>\$4,388</u>	<u>\$48,785</u>	<u>\$151,221</u>	<u>\$102,436</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,275,510	\$2,216,596	\$2,216,596	\$0
Fines, Licenses and Permits	1,200	2,200	2,565	365
Charges for Services	35,000	35,000	50,246	15,246
Intergovernmental	412,880	412,463	399,670	(12,793)
Other	9,214	78,214	92,940	14,726
<i>Total Revenues</i>	<u>2,733,804</u>	<u>2,744,473</u>	<u>2,762,017</u>	<u>17,544</u>
Expenditures:				
Current:				
Public Safety	6,899,436	6,700,162	6,583,503	116,659
Capital Outlay	124,000	124,000	124,000	0
<i>Total Expenditures</i>	<u>7,023,436</u>	<u>6,824,162</u>	<u>6,707,503</u>	<u>116,659</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,289,632)</u>	<u>(4,079,689)</u>	<u>(3,945,486)</u>	<u>134,203</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	0	4,171	4,171
Transfers-In	4,201,000	4,033,333	4,018,333	(15,000)
<i>Total Other Financing Sources</i>	<u>4,201,000</u>	<u>4,033,333</u>	<u>4,022,504</u>	<u>(10,829)</u>
<i>Net Change in Fund Balance</i>	(88,632)	(46,356)	77,018	123,374
<i>Fund Balance at Beginning of Year</i>	55,099	55,099	55,099	0
<i>Prior Year Encumbrances Appropriated</i>	<u>88,710</u>	<u>88,710</u>	<u>88,710</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$55,177</u>	<u>\$97,453</u>	<u>\$220,827</u>	<u>\$123,374</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal Income Taxes	\$2,035,908	\$2,035,908	\$2,001,564	(\$34,344)
Fines, Licenses and Permits	0	0	26,954	26,954
Investment Earnings	5,000	5,000	27,198	22,198
Intergovernmental	1,306,440	1,306,440	280,870	(1,025,570)
Other	0	0	30,272	30,272
<i>Total Revenues</i>	<u>3,347,348</u>	<u>3,347,348</u>	<u>2,366,858</u>	<u>(980,490)</u>
Expenditures:				
Current:				
Transportation and Street Repair	430,514	513,677	484,693	28,984
Capital Outlay	5,744,985	4,687,912	4,278,111	409,801
Debt Service:				
Principal Retirements	852,500	852,500	852,500	0
Interest and Fiscal Charges	12,600	12,600	12,534	66
<i>Total Expenditures</i>	<u>7,040,599</u>	<u>6,066,689</u>	<u>5,627,838</u>	<u>438,851</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,693,251)</u>	<u>(2,719,341)</u>	<u>(3,260,980)</u>	<u>(541,639)</u>
Other Financing Sources:				
Notes Issued	852,500	900,600	900,600	0
Premium on Debt Issued	7,000	7,000	7,385	385
<i>Total Other Financing Sources</i>	<u>859,500</u>	<u>907,600</u>	<u>907,985</u>	<u>385</u>
<i>Net Change in Fund Balance</i>	(2,833,751)	(1,811,741)	(2,352,995)	(541,254)
<i>Fund Balance at Beginning of Year</i>	4,100,806	4,100,806	4,100,806	0
<i>Prior Year Encumbrances Appropriated</i>	<u>250,628</u>	<u>250,628</u>	<u>250,628</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,517,683</u>	<u>\$2,539,693</u>	<u>\$1,998,439</u>	<u>(\$541,254)</u>

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,720,451	\$9,106,313	\$856,956	\$14,683,720	\$480,932
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	79,853	79,853	79,853	239,559	0
Accounts Receivable	372,173	692,924	329,230	1,394,327	0
Interfund Receivable	0	0	0	0	27,837
Materials and Supplies Inventory	175,688	67,198	0	242,886	137,775
Special Assessments Receivable	0	90,000	0	90,000	0
<i>Total Current Assets</i>	<u>5,348,165</u>	<u>10,036,288</u>	<u>1,266,039</u>	<u>16,650,492</u>	<u>646,544</u>
Non-current Assets					
Nondepreciable Capital Assets	904,388	474,839	0	1,379,227	0
Depreciable Capital Assets, Net	7,276,371	16,658,446	54,548	23,989,365	190,329
<i>Total Non-current Assets</i>	<u>8,180,759</u>	<u>17,133,285</u>	<u>54,548</u>	<u>25,368,592</u>	<u>190,329</u>
<i>Total Assets</i>	<u>13,528,924</u>	<u>27,169,573</u>	<u>1,320,587</u>	<u>42,019,084</u>	<u>836,873</u>
Deferred Outflows of Resources:					
Deferred Charge on Refunding	66,306	103,709	0	170,015	0
Liabilities:					
Current Liabilities					
Accounts Payable	60,906	149,762	153,211	363,879	41,618
Contracts Payable	0	21,769	0	21,769	0
Retainage Payable	986	0	0	986	0
Accrued Wages Payable	39,696	43,382	5,444	88,522	29,127
Intergovernmental Payable	32,017	36,713	2,953	71,683	22,473
Interfund Payable	3,384	2,471	109	5,964	26
Notes Payable	722,516	0	0	722,516	0
Accrued Interest Payable	10,642	33,387	0	44,029	0
General Obligation Bonds Payable	228,250	316,750	0	545,000	0
Landfill Postclosure Costs Payable	0	0	56,232	56,232	0
Capital Lease Payable	583	58,376	0	58,959	6,437
Special Assessment Bonds Payable	0	10,000	0	10,000	0
OPWC Loans Payable	16,686	0	0	16,686	0
Compensated Absences Payable	39,006	79,170	5,535	123,711	52,924
<i>Total Current Liabilities</i>	<u>\$1,154,672</u>	<u>\$751,780</u>	<u>\$223,484</u>	<u>\$2,129,936</u>	<u>\$152,605</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014
(Continued)

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Long-Term Liabilities					
Refundable Deposits	\$79,853	\$79,853	\$79,853	\$239,559	\$0
Notes Payable	0	100,459	0	100,459	0
General Obligation Bonds Payable	4,027,114	10,067,618	0	14,094,732	0
Special Assessment Bonds Payable	0	80,000	0	80,000	0
OPWC Loans Payable	8,342	0	0	8,342	0
Landfill Postclosure Costs Payable	0	0	168,696	168,696	0
Capital Lease Payable	1,555	0	0	1,555	17,120
Compensated Absences Payable	12,372	24,868	49	37,289	8,658
<i>Total Long-Term Liabilities</i>	<u>4,129,236</u>	<u>10,352,798</u>	<u>248,598</u>	<u>14,730,632</u>	<u>25,778</u>
<i>Total Liabilities</i>	<u>5,283,908</u>	<u>11,104,578</u>	<u>472,082</u>	<u>16,860,568</u>	<u>178,383</u>
Net Position:					
Net Investment in Capital Assets	3,373,559	6,704,250	54,548	10,132,357	166,772
Unrestricted	4,937,763	9,464,454	793,957	15,196,174	491,718
<i>Total Net Position</i>	<u>\$8,311,322</u>	<u>\$16,168,704</u>	<u>\$848,505</u>	<u>25,328,531</u>	<u>\$658,490</u>
Net Position reported for business-type activities in the statement of net position is different because it includes a proportionate share of the balance of the internal service fund.				<u>296,143</u>	
Net Position of Business-Type Activities				<u>\$25,624,674</u>	

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Operating Revenues:					
Charges for Services	\$4,304,620	\$6,687,253	\$2,763,166	\$13,755,039	\$2,010,455
Other	127,866	21,730	0	149,596	1,176
<i>Total Operating Revenues</i>	<u>4,432,486</u>	<u>6,708,983</u>	<u>2,763,166</u>	<u>13,904,635</u>	<u>2,011,631</u>
Operating Expenses:					
Personal Services	1,256,618	1,346,168	138,780	2,741,566	789,389
Contractual Services	2,315,920	2,534,468	2,391,050	7,241,438	176,105
Materials and Supplies	200,446	225,461	22,552	448,459	1,036,160
Depreciation	596,120	980,000	20,490	1,596,610	35,528
<i>Total Operating Expenses</i>	<u>4,369,104</u>	<u>5,086,097</u>	<u>2,572,872</u>	<u>12,028,073</u>	<u>2,037,182</u>
<i>Operating Income (Loss)</i>	<u>63,382</u>	<u>1,622,886</u>	<u>190,294</u>	<u>1,876,562</u>	<u>(25,551)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	10,634	20,074	0	30,708	1,004
Interest and Fiscal Charges	(98,550)	(399,424)	0	(497,974)	(1,002)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(87,916)</u>	<u>(379,350)</u>	<u>0</u>	<u>(467,266)</u>	<u>2</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(24,534)</u>	<u>1,243,536</u>	<u>190,294</u>	<u>1,409,296</u>	<u>(25,549)</u>
Capital Contributions	36,480	25,547	0	62,027	0
Transfers-Out	0	0	0	0	(1,877)
<i>Change in Net Position</i>	<u>11,946</u>	<u>1,269,083</u>	<u>190,294</u>	<u>1,471,323</u>	<u>(27,426)</u>
<i>Net Position at Beginning of Year</i>	<u>8,299,376</u>	<u>14,899,621</u>	<u>658,211</u>		<u>685,916</u>
<i>Net Position at End of Year</i>	<u>\$8,311,322</u>	<u>\$16,168,704</u>	<u>\$848,505</u>		<u>\$658,490</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i>				<u>1,355</u>	
<i>Change in net position of business-type activities</i>				<u>\$1,472,678</u>	

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received From Customers	\$4,175,456	\$6,644,188	\$2,741,091	\$13,560,735	\$0
Cash Received From Interfund Services Provided	0	0	0	0	2,020,712
Cash Received From Other Operating Revenues	127,866	21,730	0	149,596	1,176
Cash Payments for Employee Services and Benefits	(1,266,635)	(1,359,824)	(137,209)	(2,763,668)	(811,605)
Cash Payments to Suppliers	(2,544,674)	(2,852,998)	(2,472,509)	(7,870,181)	(1,162,756)
<i>Net Cash Provided by Operating Activities</i>	492,013	2,453,096	131,373	3,076,482	47,527
Cash Flows Provided by (Used For) Capital and Related Financing Activities:					
Cash Received from Special Assessments	0	14,460	0	14,460	0
Acquisition of Capital Assets	(1,009,677)	(351,737)	0	(1,361,414)	(16,861)
Note Proceeds	718,100	100,000	0	818,100	0
Note Premiums	5,888	1,837	0	7,725	0
Notes Principal Payments	(1,473,000)	(100,000)	0	(1,573,000)	0
Notes Interest Payments	(20,502)	(1,247)	0	(21,749)	0
General Obligation Bond Principal Payments	(56,550)	(138,450)	0	(195,000)	0
General Obligation Bond Interest Payments	(1,979)	(313,732)	0	(315,711)	0
Refunding Bonds Principal Payments	(164,750)	(100,250)	0	(265,000)	0
Refunding Bonds Interest Payments	(100,364)	(68,124)	0	(168,488)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(4,460)	0	(4,460)	0
Loans Payable Principal Payments	(16,686)	0	0	(16,686)	0
Capital Lease Principal Payments	(563)	(56,236)	0	(56,799)	(6,215)
Capital Lease Interest Payments	(91)	(4,361)	0	(4,452)	(1,002)
Capital Contributions by Customers	36,480	25,547	0	62,027	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	(2,083,694)	(1,006,753)	0	(3,090,447)	(24,078)
Cash Flows from Investing Activities:					
Interest	10,634	15,614	0	26,248	1,004
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(1,581,047)	1,461,957	131,373	12,283	24,453
<i>Cash and Cash Equivalents at Beginning of Year</i>	6,381,351	7,724,209	805,436	14,910,996	456,479
<i>Cash and Cash Equivalents at End of Year</i>	\$4,800,304	\$9,186,166	\$936,809	\$14,923,279	\$480,932

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(Continued)

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income	\$63,382	\$1,622,886	\$190,294	\$1,876,562	(\$25,551)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	596,120	980,000	20,490	1,596,610	35,528
Landfill Closure and Postclosure Costs	0	0	(30,487)	(30,487)	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(161,089)	(74,990)	(54,000)	(290,079)	38,068
(Increase) Decrease in Materials and Supplies Inventory	(8,239)	(11,938)	0	(20,177)	66,204
Decrease in Interfund Receivable	0	0	0	0	(27,837)
Increase (Decrease) in Accounts Payable	3,766	7,276	(324)	10,718	(16,695)
Decrease in Contracts Payable	0	(64,013)	0	(64,013)	0
Increase in Retainage Payable	986	0	0	986	0
Increase in Accrued Wages Payable	138	2,408	1,050	3,596	3,794
Increase (Decrease) in Intergovernmental Payable	(29)	2,407	215	2,593	1,368
Increase in Refundable Deposits Payable	3,720	3,720	3,720	11,160	0
Increase in Interfund Payable	3,384	2,471	109	5,964	26
Increase (Decrease) in Compensated Absences Payable	(10,126)	(17,131)	306	(26,951)	(27,378)
Net Cash Provided by Operating Activities	<u>\$492,013</u>	<u>\$2,453,096</u>	<u>\$131,373</u>	<u>\$3,076,482</u>	<u>\$47,527</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Net Position
Agency Fund
December 31, 2014

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$291,461</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$291,461</u></u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 1 – Description Of The City And Reporting Entity

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 current 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 the department managers of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and activities that are not legally separate from the City. They comprise the City's legal entity which provides various services including police, fire, emergency medical, planning and zoning, street construction, maintenance and repair, administrative services, water services, sewer services and postclosure care of a landfill. Council and the city manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has no component units.

The City participates in five jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. The City also participates in one public entity shared risk pool. These organizations are presented in Notes 21 and 22.

Jointly Governed Organizations:
Miami Valley Regional Planning Commission
Regional Emergency Response Team

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Greene County Agencies for Combined Enforcement
Fairborn Development Corporation
Greene County Regional Planning and Coordination Commission

Public Entity Shared Risk Pool:
Public Entities Pool of Ohio

Note 2 – Summary Of Significant Accounting Policies

The financial statements of the City of Fairborn have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Basis of Presentation

The City's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government except for the Agency Fund. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary Funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources are reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund accounts for and reports all financial resources not 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.

Fire and EMS Fund – The Fire and EMS Fund accounts for and reports the .30 mills of inside millage that is expended for fire pension payments and a property tax levy that is expended for the cost of operating the fire and EMS departments as well as charges for services, related intergovernmental revenue, and transfers from the General Fund.

Police Fund – The Police Fund accounts for and reports the .30 mills of inside millage that is expended for police pension payments and a property tax levy that is expended for the cost of operating the police department, as well as charges for services, related intergovernmental revenue, and transfers from the General Fund.

County Motor Vehicle Tax Fund – The County Motor Vehicle Tax Fund accounts for and reports municipal income taxes restricted for street projects and permissive license taxes received from Greene County for street projects approved by the County Engineer.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The nonmajor governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose.

Proprietary Funds

Proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector that focus on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are enterprise and internal service funds.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund – The Water Fund is used to account for the operation of the City's water service.

Sewer Fund – The Sewer Fund is used to account for the operation of the City's sanitary sewer system.

Sanitation Fund – The Sanitation Fund is used to account for the operation of the City's refuse collection system, street sweeping services, and landfill monitoring.

Internal Service Funds – Internal Service Funds 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. The City's internal service funds report on vehicle and equipment maintenance services, information technology services, and employee assistance programs associated with employee health benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary fund is an agency fund which is used to account for monies that flow through the clerk of court's office.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; the proprietary funds and agency fund also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available”

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, municipal income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the year for which the taxes are levied (See Notes 7 and 9). Revenue from municipal income taxes is recognized in the year in which the exchange on which the tax is imposed takes place (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance) fines and forfeitures, and grants.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants,

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

special assessments, charges for services, and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The City's Municipal Court has its own checking accounts for the collection and distribution of court fines and forfeitures which are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During 2014, the City invested in Federal Home Loan Bank Serial/Consolidation Bonds, Federal Home Loan Bank Mortgage Notes and Federal Home Loan Bank Mortgage Bonds. Investments are reported at fair value which is based on quoted market prices.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue, including an increase in the fair market value of investments, credited to the General Fund during fiscal year 2014 amounted to \$408,113, which includes \$289,403 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Assets Held for Resale

Assets held for resale represent properties purchased by the City which will be sold after beautification has been completed.

Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable/Payable." Interfund balances are eliminated on the government-wide Statement of Net Position except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances."

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents which have been set aside for the repayment of deposits to water, sewer and sanitation customers.

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the governmental fund financial statements. Internal service funds that are considered governmental activities report their capital assets in their fund financial statements as well as in the governmental activities column of the government-wide Statement of Net Position. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-45 years
Improvements Other Than Buildings	10-20 years
Machinery and Equipment	5-15 years
Vehicles	6-20 years
Infrastructure	8-100 years

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, street lights, bridges, a storm water system, and water and sewer lines.

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 City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that 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 City records a liability for accumulated unused sick leave for all employees after 20 years of service with the City.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, bonds, and capital leases are recognized as liabilities on the governmental fund financial statements when due.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. The nonspendable fund balances for the City includes material and supplies inventory.

Restricted – The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Council, separate from the authorization to raise the underlying

City of Fairborn, Ohio
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revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund and General Capital Improvements Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. The net investment in capital assets component of net position, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund Transactions/Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Budgetary Process

All funds, other than the Agency Fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the object level (personal services, contractual services, materials and supplies, etc.) within each department and fund. Modifications to appropriations may only be made by ordinance of Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

Bond Discounts, Premiums

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums and discounts are recognized in the period when the debt is issued. Note premiums are presented as an addition to the face of the notes payable.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, sanitation, information technology services, employee assistance programs, and for repair and maintenance of City vehicles and equipment. Operating expenses are the necessary costs incurred to provide the services that are the primary activities of these funds. Revenues and expenses that do not meet these definitions are reported as non-operating.

Contributions of Capital

Contributions of capital arise from outside contributions of capital assets and grants, or outside contributions of resources restricted to capital acquisition and construction or transfers of governmental capital assets financed by governmental funds to enterprise funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Correction of an Accounting Error

In prior years certain economic development expenses were capitalized on the nonmajor governmental funds balance sheet. Due to a change in guidance these expenditures should not have been capitalized at the fund level, but rather at the entity-wide level only. A restatement was required to remove the asset from the nonmajor governmental funds balance sheet.

	Nonmajor Governmental Funds
Restricted Fund Balance, December 31, 2013, as Previously Reported	\$7,425,689
Restatement of Assets Held for Resale	<u>(2,995,917)</u>
Restricted Fund Balance, December 31, 2013, as Restated	<u><u>\$4,429,772</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 4 – Accountability

At December 31, 2014, the following funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Special Revenue Funds:	
Police Fund	\$62,701
Moving Ohio Forward Fund	19,126
Capital Projects Fund:	
Building and Land Fund	21,186

The General Fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

Note 5 – Budgetary Basis Of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) for the General, Fire and EMS, Police and County Motor Vehicle Tax Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
5. Cash is held by the agency fund on behalf of the City on a budget basis and allocated and reported on the balance sheet (GAAP basis) in the appropriate City funds.
6. Budgetary revenues and expenditures of the Uninsured Loss and Street Lighting special revenue funds are classified to the General Fund for GAAP Reporting.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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7. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance				
	General	Fire and EMS	Police	County Motor Vehicle
GAAP Basis	\$804,839	\$172,732	\$133,600	(\$1,106,408)
Revenue Accruals	(403,872)	29,081	2,777	591,488
Expenditure Accruals	59,515	(47,846)	32,658	(512,420)
Encumbrances	(815,724)	(144,915)	(92,017)	(1,325,655)
Change in Fair Value of Investments - 2014	(2,649)	0	0	0
Change in Fair Value of Investments - 2013	231,122	0	0	0
Agency Fund Allocation - 2014	(78,645)	0	0	0
Agency Fund Allocation - 2013	68,030	0	0	0
Excess of revenues under expenditures for Uninsured Loss Fund	33,293	0	0	0
Advances	(130,000)	0	0	0
Budget Basis	<u><u>(\$234,091)</u></u>	<u><u>\$9,052</u></u>	<u><u>\$77,018</u></u>	<u><u>(\$2,352,995)</u></u>

Note 6 – Deposits And Investments

The City is a charter City and has adopted an investment policy through City ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories, active deposits, inactive deposits, and interim deposits.

Active deposits are public deposits determined to be necessary to meet current demands upon the City's Treasury. Active 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 the Council has identified as not required for use within the current five 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 monies. Interim monies are those monies 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 monies held by the City may be deposited or invested in the following securities:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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 City may also invest any monies not required to be used for a period of six months or more in the following:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

Investments

As of December 31, 2014, the City had the following investments:

	Fair Value	Maturity 2-5 Years	Moody's Rating s	Percent of Total Investments
Federal Home Loan Bank Serial/Consolidation Bonds	\$10,993,070	\$10,993,070	Aaa	52.37%
Federal Home Loan Bank Mortgage Notes	7,998,840	7,998,840	Aaa	38.10%
Federal Home Loan Bank Mortgage Bonds	2,001,440	2,001,440	Aaa	9.53%
	<u>\$20,993,350</u>	<u>\$20,993,350</u>		

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires the portfolio to remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five years from the date of purchase. In the alternative, given the prevalence of newly issued investment securities, including callable and structured federal agency securities, in which the repayment of principal is anticipated prior to the stated final maturity date, the City will not directly invest in securities with a projected average life of more than five years from the date of purchase.

Credit Risk

The negotiable certificates of deposit are in denominations of under \$250,000 and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The City's investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist.

Concentration of Credit Risk

The City's investment policy states that no more than 20 percent of the City's investment portfolio will be placed with any particular issuer of commercial paper or other corporate debt excepting funds which are able to be converted into cash within 24 hours of notification to the issuer or the issuer's fiscal agent.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 7 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$11.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$497,344,590
Public Utility Personal	14,054,270
Totals	<u>\$511,398,860</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 8 – Municipal Income Tax

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and net profits earned within the City as well as on incomes of residents earned outside 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 2013, the proceeds of the City's one percent income tax collections were allocated to the General Fund. However, of the 1/2 percent effective January 1, 2005 and expiring December 31, 2014, 1/4 percent is for fire equipment and facilities and 1/4 percent is for thoroughfare and residential street improvements and was therefore allocated to their respective capital projects funds.

Note 9 – Receivables

Receivables at December 31, 2014, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, and special assessments.

Property, income, and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year in the General Bond Retirement Fund amount to \$603,018, and in the Sewer Fund in the amount is \$85,540. The City has \$110,357 of delinquent special assessments at December 31, 2014.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amount
Local Government	\$406,587
Homestead Exemption and Rollbacks	319,175
Gasoline Tax	475,233
Motor Vehicle Tax	103,542
CDBG Grant	21,348
Bulletproof Vest Partnership Grant	1,727
VOCA Grant	3,928
Neighborhood Betterment Grant	3,807
Victim Witness Grant	3,837
ODOT Grant	259,011
Jail Diversion Grant	31,347
Safer Grant	40,807
Drug Abuse Resistance Education Grant	6,192
City of Beavercreek	19,130
Greene County	100
Total Governmental Funds	\$1,695,771

Revenue in Lieu of Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments are made to Fairborn City School District and Greene County Vocational School District since they are impacted by the tax exemption for a period of up to 30 years. The City accrues a receivable for the amount measurable at December 31, 2014 with a corresponding credit to deferred inflows of resources-payment in lieu of taxes.

Note 10 – Capital Assets

Changes in general capital assets for the year ended December 31, 2014, were as follows:

	Balance at 12/31/2013	Additions	Deletions	Balance at 12/31/2014
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$14,346,118	\$325,433	\$0	\$14,671,551
Construction in Progress	464,353	1,455,035	(246,299)	1,673,089
Total Capital Assets, Not Being Depreciated	\$14,810,471	\$1,780,468	(\$246,299)	\$16,344,640

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

	Balance at 12/31/2013	Additions	Deletions	Balance at 12/31/2014
<u>Governmental Activities:</u>				
Depreciable Capital Assets:				
Buildings	\$19,713,641	\$0	\$0	\$19,713,641
Improvements Other Than Buildings	2,513,881	74,850	0	2,588,731
Machinery and Equipment	4,996,504	245,628	(92,258)	5,149,874
Vehicles	6,194,498	222,824	(287,809)	6,129,513
Infrastructure	72,330,610	1,878,020	(454,784)	73,753,846
Total Depreciable Capital Assets	<u>105,749,134</u>	<u>2,421,322</u>	<u>(834,851)</u>	<u>107,335,605</u>
Less Accumulated Depreciation:				
Buildings	(6,732,144)	(474,380)	0	(7,206,524)
Improvements Other Than Buildings	(1,526,749)	(104,105)	0	(1,630,854)
Machinery and Equipment	(3,519,974)	(336,280)	92,258	(3,763,996)
Vehicles	(3,505,912)	(413,900)	283,638	(3,636,174)
Infrastructure	(40,061,528)	(2,193,277)	344,572	(41,910,233)
Total Accumulated Depreciation	<u>(55,346,307)</u>	<u>(3,521,942)</u>	<u>720,468</u>	<u>(58,147,781)</u>
Depreciable Capital Assets, Net	<u>50,402,827</u>	<u>(1,100,620)</u>	<u>(114,383)</u>	<u>49,187,824</u>
Governmental Activities Capital Assets, Net	<u>\$65,213,298</u>	<u>\$679,848</u>	<u>(\$360,682)</u>	<u>\$65,532,464</u>

Additions to capital assets being depreciated include \$519,849 in assets donated by developers and transfers of fully depreciated assets of \$18,909 from business-type activities to governmental activities and \$36,485 from internal service activities to governmental activities for the year ended December 31, 2014.

Depreciation expense was charged to governmental programs as follows:

General Government	\$2,563,274
Public Safety	701,460
Leisure Time Activity	171,463
Community Development	20,490
Transportation and Street Repair	65,003
Public Health and Welfare	252
Total Depreciation Expense	<u>\$3,521,942</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Capital assets activities of the business-type activities for the year ended December 31, 2014, was as follows:

	Balance at 12/31/2013	Additions	Deletions	Balance at 12/31/2014
<u>Business-type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$94,542	\$0	\$0	\$94,542
Construction in Progress	395,993	989,651	(100,959)	1,284,685
Total Capital Assets, Not Being Depreciated	490,535	989,651	(100,959)	1,379,227
Depreciable Capital Assets				
Buildings	27,343,440	0	0	27,343,440
Improvements Other Than Buildings	1,981,814	0	0	1,981,814
Machinery and Equipment	5,355,144	229,732	(5,700)	5,579,176
Vehicles	1,398,927	155,244	(18,909)	1,535,262
Infrastructure	23,102,278	87,746	0	23,190,024
Total Depreciable Capital Assets	59,181,603	472,722	(24,609)	59,629,716
Less Accumulated Depreciation:				
Buildings	(9,287,137)	(692,080)	0	(9,979,217)
Improvements Other Than Buildings	(1,791,372)	(107,550)	0	(1,898,922)
Machinery and Equipment	(4,897,850)	(113,877)	5,700	(5,006,027)
Vehicles	(894,465)	(99,861)	18,909	(975,417)
Infrastructure	(17,197,526)	(583,242)	0	(17,780,768)
Total Accumulated Depreciation	(34,068,350)	(1,596,610)	24,609	(35,640,351)
Depreciable Capital Assets, Net	25,113,253	(1,123,888)	0	23,989,365
Business-type Activities Capital Assets, Net	\$25,603,788	(\$134,237)	(\$100,959)	\$25,368,592

Deductions to capital assets being depreciated include \$18,909 fully depreciated assets transferred from business-type activities to governmental activities.

Note 11 – Risk Management

The City is exposed to various risks of property and casualty losses, and injuries to employees.

The City belongs to the Public Entities Pool of Ohio (PEP), a public entity shared risk pool (see Note 22) available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Services Group, Inc. (York), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2014 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2013:

<u>Casualty and Property Coverage</u>	<u>2014</u>	<u>2013</u>
Assets	\$35,402,177	\$34,411,883
Liabilities	<u>12,363,257</u>	<u>12,760,194</u>
Net Position - Unrestricted	<u>\$23,038,920</u>	<u>\$21,651,689</u>

The casualty coverage assets and net position above include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$420,000. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. The contributions for the last three years are:

<u>Contributions to PEP</u>	<u>Amount</u>
2012	\$204,340
2013	230,448
2014	232,822

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

The City insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

Note 12 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2014, members in State and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$785,706, \$745,704, and \$717,607, respectively. For 2014, 88.22 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$28,337 made by the City and \$20,241 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree healthcare benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$623,393 and \$970,986 for the year ended December 31, 2014, \$443,391 and \$752,647 for the year ended December 31, 2013, and \$389,725 and \$610,260 for the year ended December 31, 2012, respectively. For 2014, 81.36 percent for police and 91.32 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 13 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, State and local employers contributed 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of the employer contribution allocated to healthcare for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to healthcare remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$314,283, \$298,282, and \$287,043, respectively. For 2014, 88.22 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

Changes to the healthcare plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the healthcare fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides healthcare benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for healthcare in two separate accounts. One for healthcare benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For 2014, the employer contribution allocated to the healthcare plan was .5 percent of covered payroll. The amount of employer contribution

City of Fairborn, Ohio
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allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$16,405 and \$20,659 for the year ended December 31, 2014, \$75,896 and \$101,420 for the year ended December 31, 2013, and \$206,325 and \$238,797 for the year ended December 31, 2012. For 2014, 81.36 percent has been contributed for police and 91.32 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 14 – Other Employee Benefits

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) with six months or more of service, receives accumulated, unused vacation up to an allowable maximum ranging from one year to two years of accrual. Most City employees earn sick leave at a rate of 1.25 days per month of work completed. Firefighters earn sick leave at a rate of 1.76 days per month of work completed. Upon retirement, eligible employees 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 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 benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

Medical, Dental and Life Insurance Benefits

The City provides medical, dental and life insurance benefits for all employees regularly scheduled to work 30 hours or more per week. On an annual basis, the City reviews health insurance options and determines the level of coverage offered, insurance carrier and plan. Currently, all employees can select either a single or family United Healthcare (UHC) health savings account (HSA). The City provides a portion of the HSA annual deductible amount on behalf of the employee; currently \$1,500 for single plans and \$3,000 for family plans.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The City also provides life insurance through Anthem Life in the amount of \$50,000 for nonunion, FOP and IAFF personnel. The City provides, through the Ohio AFSCME Care Plan, life insurance, accidental death and dismemberment, vision and hearing aid insurance for AFSCME personnel. Life insurance through the AFSCME Care Plan is based on their hourly wage with a minimum and maximum of \$14,000 and \$26,000, respectively.

The City also provides, through the Ohio AFSCME Care Plan, dental insurance for AFSCME, FOP and IAFF personnel. Dental Insurance for non-union personnel is provided by Superior Dental.

Note 15 – Capital Leases - Lessee Disclosure

In prior years, the City entered into lease agreements for municipal court space at Skyway Plaza, energy conservation improvements and a sewer jet truck. The original amount of the energy conservation lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. As part of the agreement for 2008 energy conservation improvements, Citicapital Municipal Finance, as lessor, deposited \$1,045,900 into a separate bank account in the City's name.

Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. For the business-type activities and internal service funds, principal payments are reflected as a decrease to the liability on the Statement of Fund Net Position. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized in the amount of \$1,236,778 for governmental activities and \$287,040 in the business-type activities which equaled the present value of the future minimum lease payments at the time of acquisition. Principal payments in 2014 totaled \$33,738 in governmental activities and \$56,799 in business-type activities.

The assets acquired through capital leases are as follows:

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

	Asset Value	Depreciation	December 31, 2014
Asset:			
Governmental Activities			
Buildings	\$944,870	(\$229,218)	\$715,652
Machinery and Equipment	291,908	(187,641)	104,267
Total Governmental Funds	<u>\$1,236,778</u>	<u>(\$416,859)</u>	<u>\$819,919</u>
Business-type Activities			
Machinery and Equipment	\$5,469	(\$3,373)	\$2,096
Vehicles	281,571	(129,053)	152,518
Total Governmental Funds	<u>\$287,040</u>	<u>(\$132,426)</u>	<u>\$154,614</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2014.

December 31,	Governmental Activities	Business- type Activities
2015	\$27,766	\$61,251
2016	27,766	654
2017	27,766	654
2018	13,881	330
Total	97,179	62,889
Less: Amount Representing Interest	(6,548)	(2,375)
Present Value of Minimum Lease Payments	<u>\$90,631</u>	<u>\$60,514</u>

Note 16 – Operating Lease – Lessee Disclosure

In prior years, the City entered into a lease purchase agreement with Citicapital Municipal Finance to finance energy conservation improvements made to various buildings and infrastructure throughout the City. The original amount of the lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. The lease commenced on May 27, 2008 and ends May 27, 2018. Operating lease payments made during 2014 were \$96,741.

The future minimum lease payments are as follows:

December 31,	Payment Total
2015	\$96,741
2016	96,741
2017	96,741
2018	48,371
Total	<u>\$338,594</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 17 – Short-Term Obligations

Changes in short-term obligations during 2014 were as follows:

Types/Issues	Balance at 12/31/2013	Increases	Decreases	Balance at 12/31/2014
<u>Governmental Activities:</u>				
2013 Various Purpose Bond Anticipation Note Series A (Police)	\$67,500	\$0	\$67,500	\$0
2014 Various Purpose Bond Anticipation Note Series A	0	67,500	0	67,500
2013 Various Purpose Bond Anticipation Note Series A (2013 Curb & Sidewalk)	30,000	0	30,000	0
2014 Various Purpose Bond Anticipation Note Series B (Spangler Street)	0	900,600	0	900,600
Premium	0	7,385	1,846	5,539
2013 Various Purpose Bond Anticipation Note Series B (Spangler Street)	852,500	0	852,500	0
Premium	5,196	0	5,196	0
2013 Various Purpose Bond Anticipation Note Series B (2014 Curb & Sidewalk)	200,000	0	200,000	0
Premium	1,219	0	1,219	0
Total Governmental Funds	<u>\$1,156,415</u>	<u>\$975,485</u>	<u>\$1,158,261</u>	<u>\$973,639</u>
<u>Business Activities:</u>				
2013 Various Purpose Bond Anticipation Note Series A	\$1,290,000	\$0	\$1,290,000	\$0
2014 Various Purpose Bond Anticipation Note Series B (Spangler Street)	0	718,100	0	718,100
Premium	0	5,888	1,472	4,416
2013 Various Purpose Bond Anticipation Note Series B (Spangler Street)	183,000	0	183,000	0
Premium	1,115	0	1,115	0
Total Business-type Activities	<u>\$1,474,115</u>	<u>\$723,988</u>	<u>\$1,475,587</u>	<u>\$722,516</u>

The notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the City and mature within one year. The liability for the notes is presented in the fund that received the note proceeds.

On September 13, 2013 the City issued \$1,052,500 in various purpose bond anticipation notes series B. The notes were issued to construct and repair sidewalks and curbs and for improvements to Spangler Road. The notes were issued at 1.125 percent and matured on September 12, 2014. The notes were paid from the county motor vehicle license special revenue fund and the special assessment construction capital projects fund, respectively.

City of Fairborn, Ohio
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On September 13, 2013 the City issued \$183,000 in various purpose bond anticipation notes series B. The notes were issued for waterline improvements to Spangler Road. The notes were issued at 1.125 percent and matured on September 12, 2014. The notes were paid from the water fund with service charges.

On September 11, 2014 the City issued \$900,600 in various purpose bond anticipation notes series B. The notes were issued to construct and repair sidewalks and curbs and for improvements to Spangler Road. The notes were issued at 2.25 percent and will mature on September 10, 2015. The notes were paid from county motor vehicle license special revenue fund and the special assessment construction capital projects fund, respectively.

On September 11, 2014 the City issued \$718,100 in various purpose bond anticipation notes series B. The notes were issued for waterline improvements to Spangler Road. The notes were issued at 2.25 percent and will mature on September 10, 2015. The notes will be paid from the water fund with service charges.

Note 18 – Long-Term Obligations

The summary of changes in long-term obligations of the governmental activities of the City during 2014 follows:

Types/Issues	Balance at 12/31/2013	Increases	Decreases	Balance at 12/31/2014	Due Within One Year
<u>Notes Payable:</u>					
2013 1.25% Various Purpose Bond Anticipation					
Notes Series A (Police)	\$377,500	\$0	\$377,500	\$0	\$0
Premium	939	0	939	0	0
2013 1.25% Various Purpose Bond Anticipation					
Notes Series A (2013 Curb & Sidewalk)	70,000	0	70,000	0	0
Premium	211	0	211	0	0
2014 2.25% Various Purpose Bond Anticipation					
Notes Series A (Police)	0	310,000	0	310,000	0
Premium	0	6,935	5,201	1,734	0
Total Notes Payable	<u>448,650</u>	<u>0</u>	<u>448,650</u>	<u>311,734</u>	<u>0</u>
<u>Unvoted General Obligation Bonds:</u>					
2003 3.50 to 4.75% Municipal Court					
Building Renovations \$455,000	280,000	0	90,000	190,000	95,000
2004 2.00 to 3.50% Municipal					
Building \$100,000	10,000	0	10,000	0	0
2010 2.00 to 2.25% Curb and Sidewalk \$45,000					
Premium	20,000	0	10,000	10,000	10,000
	233	0	116	117	0
Total Unvoted General Obligation Bonds	<u>310,233</u>	<u>0</u>	<u>110,116</u>	<u>200,117</u>	<u>105,000</u>
<u>Income Tax Revenue Bonds:</u>					
2005 3.00 to 4.50% Income Tax \$10,000,000					
	1,245,000	0	1,245,000	0	0
Premium	28,146	0	28,146	0	0
Total Income Tax Revenue Bonds	<u>\$1,273,146</u>	<u>\$0</u>	<u>\$1,273,146</u>	<u>\$0</u>	<u>\$0</u>

(continued)

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

Types/Issues	Balance at 12/31/2013	Increases	Decreases	Balance at 12/31/2014	Due Within One Year
<u>Tax Increment Financing Revenue Bonds:</u>					
2013 1.5-3% Various Purpose					
Revenue Bonds (TIF)	\$1,535,000	\$0	\$85,000	\$1,450,000	\$85,000
Premium	39,268	0	2,554	36,714	0
Total Tax Increment Financing Revenue Bonds	<u>1,574,268</u>	<u>0</u>	<u>87,554</u>	<u>1,486,714</u>	<u>85,000</u>
<u>Special Assessment Bonds with</u>					
<u>Governmental Commitment:</u>					
1998 5.15% Commerce Center/					
Channingway \$1,160,000	415,000	0	75,000	340,000	75,000
2003 4.00 to 8.30% Dayton - Yellow Spring					
Improvement \$305,000	190,000	0	16,000	174,000	17,000
2009 3.75% Curb and Sidewalk \$135,000	30,000	0	30,000	0	0
2011 3.00% Curb and Sidewalk \$320,000	200,000	0	65,000	135,000	65,000
2012 2.5% Curb and Sidewalk \$120,000	100,000	0	25,000	75,000	25,000
2013 1.5-2% Various Purpose Special					
Assessment Bonds	70,000	0	10,000	60,000	15,000
Premium	2,055	0	112	1,943	0
Total Speical Assessment Bonds	<u>1,007,055</u>	<u>0</u>	<u>221,112</u>	<u>785,943</u>	<u>197,000</u>
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	124,369	0	33,738	90,631	24,766
Compensated Absences Payable	1,167,778	921,038	904,834	1,183,982	961,317
Total Other Long-Term Obligations	<u>1,292,147</u>	<u>921,038</u>	<u>938,572</u>	<u>1,274,613</u>	<u>986,083</u>
Total Governmental Activities	<u>\$5,905,499</u>	<u>\$1,237,973</u>	<u>\$3,084,351</u>	<u>\$4,059,121</u>	<u>\$1,373,083</u>

On March 17, 2013 the City issued \$545,000 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2012 various bond anticipation notes, police department renovations, communications equipment and to construct and repair sidewalks and curbs. The notes were issued at 1.25 percent and matured on March 16, 2014. The notes were paid from general capital improvement and building and land capital projects funds, respectively.

On March 26, 2014 the City issued \$477,500 in various purpose bond anticipation notes series A. \$377,500 of the notes were issued to retire a portion of the 2013 various bond anticipation notes and the remaining \$100,000 was used to retire the 2013 sewer various purpose bond anticipation notes. The notes were issued at 2.25 percent and will mature on March 25, 2015. The notes will be paid from general capital improvement and building and land capital projects funds, respectively.

The \$455,000 Municipal Court Building Renovations general obligation bonds were issued for the purpose of making improvements and renovations to the court building. The bonds were issued for a 13 year period, with final maturity in December, 2016, and will be paid through the Building and Land Capital Projects Fund with transfers from the General Fund.

City of Fairborn, Ohio
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The \$100,000 Municipal Building general obligation bonds were issued for the purpose of making improvements and renovations to the municipal building. The bonds were issued for a 10 year period, with final maturity in December, 2014, and was paid through the Building and Land Capital Projects Fund with transfers from the General Fund.

The \$45,000 Curb and Sidewalk general obligation bonds were issued for the costs of constructing and repairing certain sidewalks, curbs and driveway approaches. The bonds were issued for a five year period, with final maturity in May, 2015, and will be paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The \$10,000,000 Income Tax revenue bonds were issued for the purpose of building fire facilities. The bonds were issued for a 10 year period, with final maturity in December, 2014, and was paid through the Public Safety Equipment/Facility Capital Projects Fund with municipal income tax revenue. The City has pledged a portion of future income tax revenue to repay the bonds. The bonds are paid solely from income tax revenue. Income tax revenues were projected to produce 596.06 percent of the debt service requirements over the life of the bonds.

On April 16, 2013 the City issued \$1,700,000 in various purpose general obligation bonds to retire \$1,460,000 of the 2012 tax increment financing bond anticipation note and \$70,000 of the 2012 various purpose curb & sidewalk bond anticipation note. The bonds were issued with interest rates varying from 1.5 to 3.0 percent for a 16 year period. The bonds will be paid from the tax increment financing and general capital improvements capital projects funds, respectively.

The Commerce Center/Channingway special assessment bonds were issued to finance the construction and improvements of Commerce Center and Channingway Drive. These bonds are being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The Dayton – Yellow Springs Improvement special assessment bonds were issued to finance the expansion and improvements of Dayton – Yellow Springs Road. These bonds are being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The 2009, 2011, 2012 and 2013 Curb and Sidewalk special assessment bonds were issued for the purpose of constructing and repairing curbs, sidewalks and driveway approaches throughout the City. Each bond issue is being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

Capital lease obligations will be paid from the General Fund, the Fire and EMS Special Revenue Fund, Court Special Projects Capital Projects Fund, and Equipment and Information Technology Internal Service Funds. Compensated absences will be paid from the General, the Fire and EMS,

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For the Year Ended December 31, 2014

Police, Street Maintenance and Repair, State Highway, Cemetery, Community Development and Victim Witness Special Revenue Funds.

A summary of the long-term obligations reported for business-type activities during 2014 is as follows:

Types/Issues	12/31/2013	Increases	Decreases	12/31/2014	One Year
<u>Notes Payable:</u>					
2013 1.25% - Sewer Various Purpose					
Bond Anticipation Series A (NW Force)	\$100,000	\$0	\$100,000	\$0	\$0
Premium	211	0	211	0	0
2014 2.25% - Sewer Various Purpose					
Bond Anticipation Series A (NW Force)	0	100,000	0	100,000	0
Premium	0	1,837	1,378	459	0
Total Notes Payable	<u>100,211</u>	<u>101,837</u>	<u>101,589</u>	<u>100,459</u>	<u>0</u>
<u>General Obligation Bonds</u>					
2004 2.00% Water Various Purpose \$1,218,750	56,550	0	56,550	0	0
2004 2.00% Sewer Various Purpose \$1,906,250	88,450	0	88,450	0	0
2010 2.00 to 4.50% Sewer Various Purpose \$7,460,000	7,445,000	0	50,000	7,395,000	125,000
Discount	(62,714)	0	(2,509)	(60,205)	0
Total General Obligation Bonds	<u>7,527,286</u>	<u>0</u>	<u>192,491</u>	<u>7,334,795</u>	<u>125,000</u>
<u>Refunding Bonds:</u>					
2013 1.5% to 3.0% Water Various Purpose Bonds	3,580,000	0	155,000	3,425,000	160,000
Premium	65,694	0	3,575	62,119	0
2013 1.5% to 3.0% Water Various Purpose Bonds	762,450	0	9,750	752,700	68,250
Premium	17,203	0	1,658	15,545	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	1,192,550	0	15,250	1,177,300	106,750
Premium	26,907	0	2,593	24,314	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	1,900,000	0	85,000	1,815,000	85,000
Premium	34,856	0	1,897	32,959	0
Total Refunding Bonds	<u>7,579,660</u>	<u>0</u>	<u>274,723</u>	<u>7,304,937</u>	<u>420,000</u>
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	100,000	0	10,000	90,000	10,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	41,714	0	16,686	25,028	16,686
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	255,415	0	30,487	224,928	56,232
Capital Leases	117,313	0	56,799	60,514	58,959
Compensated Absences	187,951	135,982	162,933	161,000	123,711
Total Other Long-Term Obligations	<u>560,679</u>	<u>135,982</u>	<u>250,219</u>	<u>446,442</u>	<u>238,902</u>
Total Business-type Activities	<u>\$15,909,550</u>	<u>\$237,819</u>	<u>\$845,708</u>	<u>\$15,301,661</u>	<u>\$810,588</u>

On March 26, 2014 the City issued \$477,500 in various purpose bond anticipation notes series A. \$377,500 of the notes were issued to retire a portion of the 2013 various bond anticipation notes and the remaining \$100,000 was used to retire the 2013 sewer various purpose bond anticipation notes. The notes were issued at 2.25 percent and will mature on March 25, 2015. The notes will be paid from general capital improvement and building and land capital projects funds, respectively.

City of Fairborn, Ohio
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The \$1,218,750 Water Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's water system. The bonds were issued for a 20 year period, with final maturity in December, 2024. Current operations in the Water Enterprise Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$1,906,250 Sewer Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's sewer system. The bonds were issued for a 20 year period, with final maturity in December, 2014. Current operations in the Sewer Enterprise Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$7,460,000 Sewer Various Purpose general obligation bonds were issued for the purpose of paying the costs of designing, constructing, and improving a water reclamation center office building and laboratory with related site improvements and necessary appurtenances. Of these bonds, \$3,130,000 were serial bonds and \$4,330,000 were term bonds. The bonds were issued for a 29 year period with final maturity in May of 2038. The bonds will be retired from the Sewer Enterprise Fund.

The term bonds issued at \$4,330,000 and maturing May 2038 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on May 6, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2019	\$275,000
2022	315,000
2024	335,000
2034	1,335,000
2038	<u>2,070,000</u>
Total	<u><u>\$4,330,000</u></u>

The Sewer Various Purpose special assessment bonds were issued to finance the construction of sewer lines around Dayton – Yellow Springs Road. These bonds are being paid through the Sewer Enterprise Fund with special assessments revenue. These bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

On April 16, 2013 the City issued \$5,770,000 in various purpose general obligation bonds to retire \$3,770,000 of the 2012 water various purpose bond anticipation note and \$2,000,000 of the 2012 sewer various purpose bond anticipation note. The bonds were issued with interest rates varying from 1.5 to 3.0 percent for a 19 year period. The bonds will be paid from the water and sewer funds with charges.

On April 16, 2013, the City issued \$1,995,000 in general obligation bonds to refund a portion of the 2004 water various purpose bonds and 2004 sewer various purpose bonds in order to take

City of Fairborn, Ohio
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advantage of lower interest rates. The bonds were issued with interest rates varying from 1.5 to 3.0 percent. The bonds were issued for 11 year period with a final maturity during 2024. The bonds will be retired through the water and sewer funds with charges.

Net proceeds of \$1,850,000 (including \$46,767 premium and after payment of \$34,286 in issuances costs) were deposited in an irrevocable trust with an escrow agent to provide for all further debt payments on the refunded 2004 various purpose bonds. As a result, \$1,850,000 of these bonds was considered defeased and the liability has been removed from the City's financial statements. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the City's financial statements.

Although the refunding will result in the recognition of an accounting loss of \$199,484 (\$77,799 to water and \$121,685 to sewer), the City in effect decreased its aggregated debt service payments by \$263,016 (\$102,576 to water and \$160,440 to sewer) over the next 11 years and obtained an economic gain (difference between the present value of the old and new debt service payments) of \$284,450 (\$110,935 to water and \$173,515 to sewer).

On March 17, 2013 the City issued \$1,390,000 in various purpose bond anticipation notes series A. The notes were issued to retire the 2012 various bond anticipation notes, improvements to the water treatment plant, waterlines, the design work on a new water storage tank and for improvements to the NW Force Main and Lift Station. The notes were issued at 1.25 percent and matured on March 16, 2014. The notes were paid from water and sewer enterprise funds, respectively.

Capital lease obligations will be paid from the Water and Sewer Enterprise Funds. Compensated absences will be paid from the Water, Sewer, and Sanitation Enterprise Funds.

The City's overall legal debt margin was \$52,261,124 at December 31, 2014, and the unvoted debt margin was \$26,735,776.

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2014 follows:

Governmental Activities						
December 31,	General Obligation Bonds		TIF Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$105,000	\$9,275	\$85,000	\$33,412	\$197,000	\$32,092
2016	95,000	5,113	85,000	32,138	208,000	24,698
2017	0	0	85,000	30,862	144,000	16,855
2018	0	0	90,000	29,588	135,000	10,810
2019	0	0	90,000	27,788	20,000	4,500
2020-2024	0	0	475,000	113,350	80,000	9,000
2025-2029	0	0	540,000	49,650	0	0
Total	<u>\$200,000</u>	<u>\$14,388</u>	<u>\$1,450,000</u>	<u>\$316,788</u>	<u>\$784,000</u>	<u>\$97,955</u>

Business type Activities					
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2015	\$545,000	\$473,563	\$10,000	\$4,050	\$16,686
2016	555,000	464,138	10,000	3,640	8,342
2017	565,000	453,863	10,000	3,230	0
2018	580,000	443,276	10,000	2,820	0
2019	595,000	429,988	10,000	2,350	0
2020-2024	3,175,000	1,938,705	40,000	4,700	0
2025-2029	3,295,000	1,453,885	0	0	0
2030-2034	3,185,000	817,770	0	0	0
2035-2038	2,070,000	237,824	0	0	0
Total	<u>\$14,565,000</u>	<u>\$6,713,012</u>	<u>\$90,000</u>	<u>\$20,790</u>	<u>\$25,028</u>

Note 19 – 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 30 years after closure. The City's landfill placed its final cover in 1989. The \$224,928 reported as a landfill post-closure care liability in the Sanitation Enterprise Fund at December 31, 2014, 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 not required by State and federal laws and regulations to provide assurances that financial resources will be available to provide for post-closure care and remediation or containment of environmental hazards at the landfill. On March 1, 1990, the financial assurance rules went into effect. Prior to that, post-closure care was required (as long as the facility closed between March 1, 1987 and February 28, 1990), but there were no requirements for financial assurance since no financial assurance rules existed.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 20 – Interfund Assets/Liabilities

Interfund balances at December 31, 2014, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		
	<u>General Fund</u>	<u>Equipment Fund</u>	<u>Total</u>
General Fund	\$0	\$1,943	\$1,943
Fire and EMS Fund	0	6,513	6,513
Police Fund	0	7,593	7,593
Nonmajor			
Governmental Funds	599,000	5,798	604,798
Water Fund	0	3,384	3,384
Sewer Fund	0	2,471	2,471
Sanitation Fund	0	109	109
Information Tech Fund	0	26	26
Total	<u><u>\$599,000</u></u>	<u><u>\$27,837</u></u>	<u><u>\$626,837</u></u>

Interfund transfers for the year ended December 31, 2014, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>			
	<u>Fire and EMS Fund</u>	<u>Police Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General Fund	\$2,096,837	\$4,018,333	\$525,648	\$6,640,818
Nonmajor				
Governmental Funds	0	0	13,300	13,300
Total	<u><u>\$2,096,837</u></u>	<u><u>\$4,018,333</u></u>	<u><u>\$538,948</u></u>	<u><u>\$6,654,118</u></u>

Transfers are used to move General Fund revenues that are used to subsidize various programs and for debt service requirements into other funds. The transfer between nonmajor special revenue fund and a nonmajor capital projects fund to assist in equipment acquisitions.

Note 21 – Jointly Governed Organizations

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the “Commission”) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, along with the cities of Clayton, Huber Heights, Riverside, New Carlisle, Dayton. The Commission prepares plans, including studies, maps, recommendations, and reports concerning

City of Fairborn, Ohio
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For the Year Ended December 31, 2014

the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Commission are made from the General Fund. The City contributed \$14,882 for the operation of the Commission during 2014. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Regional Emergency Response Team (RERT)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the RERT are made from the General Fund. The City contributed \$6,015 for the operation of the RERT for 2014. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o the City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Task Force are made from the General Fund. The City contributed \$10,460 during 2014. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, OH 45432.

Fairborn Development Corporation

The Fairborn Development Corporation is a jointly governed organization created as a not-for-profit corporation under Chapter 1724 of the Ohio Revised Code. The Fairborn Development Corporation was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the Greene County, Ohio and the municipal corporations located therein. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$235,207 from General Fund to the Fairborn Development Corporation during 2014. Financial information can be obtained by writing to Fairborn Development Corporation, c/o The City of Fairborn, Chris Wimsatt, Executive Director, at 44 West Hebble Avenue, Fairborn, OH 45324.

Greene County Regional Planning and Coordination Commission (GCRPCC)

The Greene County Regional Planning and Coordination Commission (GCRPCC) is a jointly governed organization between Green County area municipalities, townships and villages. There are two governing bodies; the Planning Commission which consists of one elected official from each member jurisdiction (two Cities, five Villages and twelve Townships) and the three County Commissioners: and the Executive Committee which consists of five member of the Planning Commission.

GCRPCC prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions, and services for the unincorporated areas of Greene County. They provide assistance to the incorporated areas of Greene County.

The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City is a non-voting member and made no contributions during 2014. Financial information can be obtained from Stephen Anderson, Executive Director, at 651 Dayton-Xenia Road, Xenia, Ohio 45385.

Note 22 – Public Entity Shared Risk Pool

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract ("Participation Agreements"). PEP enables the subscribing subdivisions to pool risk for property, liability and

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

public official liability. PEP has no employees, rather it is administered through contracts with various professionals.

Pursuant to a contract, the firm of Wells Fargo Insurance Services administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a "Pool Operator," currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

Note 23 - Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Governmental Funds</u>	
General	\$840,086
Fire and EMS	144,915
Police	92,017
County Motor Vehicle Tax	1,325,655
Other Governmental Funds	1,045,369
Total Governmental Funds	<u>3,448,042</u>
<u>Enterprise Funds</u>	
Water	1,879,472
Sewer	1,663,476
Sanitation	206,815
Total Enterprise Funds	<u>3,749,763</u>
<u>Internal Service Funds</u>	
Equipment	34,319
Information Technology	48,012
Total Internal Service Fund	<u>82,331</u>
Total	<u><u>\$7,280,136</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Contractual Commitments

As of December 31, 2014, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Construction Commitment</u>
Elder Beerman Building Asbestos Abatement	\$100,000
Elder Beerman Building Demo	185,460
2015 Residential CSA	79,729
Spangler Road Improvement	660,742
Maple Ave Overpass	10,840
Broad Street Curbs and ADA Curb Ramp	50,450
Broad Street Interconnect Construction	638,172
Dayton Drive Design	66,934
Dayton Drive Resurfacing	18,224
Main Street Phase III Design	31,481
2015 ADA Curb Ramp	36,139
Fairborn Bikeway Design	17,250
2015 Curb and Sidewalk Program City Share	16,970
Raw Water Line Project	42,251
WTP Generator Building/Auto Transfer Switch	102,800
Low Pump Service	36,208
Water Main Replacements	500,000
Generator for Mad River Well Field	280,459
Install Tideflex Valve	32,500
Rona Hills Tank Restoration	94,961
WTP Roof Replacement	23,343
WTP Polished Concrete Floors	18,000

Note 24 – Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Fund Balances	General Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Material and Supplies	\$23,665	\$0	\$19,485	\$0	\$181,089	\$224,239
<u>Restricted for:</u>						
Assets held for Resale	0	0	0	0	209,029	209,029
Road Improvements	0	0	0	2,519,121	980,543	3,499,664
Debt Service	0	0	0	0	251,075	251,075
Neighborhood Stabilization	0	0	0	0	19,378	19,378
Drug and Alcohol Enforcement	0	0	0	0	795,222	795,222
Victim Assistance Programs	0	0	0	0	1,751	1,751
Municipal Court Programs	0	0	0	0	594,211	594,211
Public Safety Equipment	0	90,765	0	0	496,604	587,369
Special Assessment Improvements	0	0	0	0	100,403	100,403
Economic Improvement	0	0	0	0	4,418	4,418
Total Restricted	0	90,765	0	2,519,121	3,452,634	6,062,520
<u>Committed to:</u>						
Cemetery Operations	0	0	0	0	23,555	23,555
Recreation Improvements	0	0	0	0	285,741	285,741
Total Committed	0	0	0	0	309,296	309,296
<u>Assigned to:</u>						
Purchases on Order	755,130	0	0	0	0	755,130
General Capital Improvements	0	0	0	0	625,356	625,356
Total Assigned	755,130	0	0	0	625,356	1,380,486
<u>Unassigned (Deficits):</u>	10,042,544	0	(82,186)	0	(40,312)	9,920,046
Total Fund Balances (Deficits)	\$10,821,339	\$90,765	(\$62,701)	\$2,519,121	\$4,528,063	\$17,896,587

Note 25 – Contingent Liabilities

Litigation

The City of Fairborn is currently a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects as of December 31, 2014. 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Federal and State Grants

For the period January 1, 2014, to December 31, 2014, 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 26 – Subsequent Events

On March 25 2015, the City issued various Bond Anticipation Notes in the amount of \$3,098,900.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed by law and administrative action to expenditures for specified purposes. The following are descriptions of the City's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Street Maintenance and Repair Fund

Street Maintenance and Repair Fund accounts for and reports restricted gasoline tax and motor vehicle license fees remitted to the City for routine maintenance and repairs of City streets.

State Highway Fund

State Highway Fund accounts for and report gasoline taxes and motor vehicle license fees restricted for routine maintenance of State highways within the City.

Community Development Fund

Community Development Fund accounts for and reports monies restricted federal government grant money under the Community Development Block Grant program.

Cemetery Fund

Cemetery Fund accounts for and report revenues received from the sale of lots, charges for burial service and foundations committed to operation and maintenance of the City cemetery.

Neighborhood Stabilization Fund

Neighborhood Stabilization Program Fund accounts for and reports restricted federal grant money received through the Neighborhood Stabilization Program for improvements to housing stock and living environments in eligible communities.

Neighborhood Stabilization II Fund

Neighborhood Stabilization Program Fund II accounts for and reports restricted federal grant money received through the State of Ohio through the American Recovery and Reinvestment Act to improve the housing stock and living environment in eligible communities to primarily benefit low, moderate, and middle income households.

Victim Witness Fund

Victim Witness Fund accounts for and reports restricted State grant money used for local crime victim assistance programs.

Home Fund

Home Fund accounts for and reports restricted federal grant money received through U.S. Housing and Urban Development's HOME Investment Partnerships Program to create affordable housing for low income households.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Victims Assistance Justice Assistance Grant Fund

Victims Assistance Justice Assistance Grant Fund accounts for and reports restricted State grant money received for local crime victim assistance programs.

Law Enforcement Trust Fund

Law Enforcement Trust Fund accounts for and reports restricted fines and forfeitures revenue generated from the prosecution of those in possession of contraband and the proceeds gained from the sale of the confiscated contraband.

Drug Law Enforcement Fund

Drug Law Enforcement Fund accounts for and reports restricted fines generated from the prosecution of illegal drug usage and sales and donations from interested civic groups.

Indigent Drivers Alcohol Treatment Fund

Indigent Drivers Alcohol Treatment fund accounts for and reports restricted 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

Alcohol Enforcement and Education Fund accounts for and reports restricted 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

Federal Forfeitures Fund accounts for and reports restricted federal forfeitures received by the Fairborn Police Department. The revenue is used for law enforcement purposes only, excluding salaries.

Municipal Probation Services Fund

Municipal Probation Services Fund accounts for and reports restricted fees from the Municipal Court and used by the Probation Department for staff, equipment, and probation treatment programs.

Traffic Intervention Fund

Traffic Intervention Fund accounts for and reports restricted fines from the Municipal Court to create a traffic intervention program to increase the number of licensed and insured drivers in the community.

Court Legal Research/Computerization Fund

Court Legal Research/Computerization Fund accounts for and reports a three dollar fee charged by the Municipal Court restricted for court computerization and to procure and maintain computerized legal research services.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Court Clerk Computerization Fund

Court Clerk Computerization Fund accounts for and reports a three dollar fee charged by the Municipal Court restricted to procure and maintain computer systems for the court clerk.

Indigent Driver's Interlock and Alcohol Monitoring Fund

Indigent Driver's Interlock and Alcohol Monitoring Fund accounts for and reports the monies received from fines imposed by the Municipal Court restricted for the purpose of paying costs to procure alcohol monitoring or driver interlock devices for indigent defendants.

Moving Ohio Forward Fund

Moving Ohio Forward Fund accounts for and reports restricted State grant money received for the demolition of vacant, abandoned, and blighted properties that detract from existing home values and may lead to increased crime.

Uninsured Loss Fund

Uninsured Loss Fund accounts for and reports expenditures to repair damage to City property. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Nonmajor Debt Service Fund

General Bond Retirement Fund

To account for and report the accumulation of resources assigned to the payment of principal and interest.

Capital Projects Funds

Capital projects funds are used to account for restricted, committed, or assigned financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Nonmajor Capital Projects Funds

Issue II Improvement Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Court Special Projects Fund

Court Special Projects Fund accounts for and reports restricted fines levied by the Municipal Court to be used by the court for special projects.

General Capital Improvement Fund

General Capital Improvement Fund accounts for and reports revenues assigned to purchase or construct equipment or buildings.

Parks and Recreation Improvements Fund

Parks and Recreation Improvement Fund accounts for and reports committed hotel/motel taxes and grants received for improvements in the City park system.

Public Safety Equipment/Facility Fund

Public Safety Equipment/Facility Fund accounts for and reports revenues received from the one-fourth of one percent income tax levy, emergency response auto-collect and other revenue sources restricted to provide funding for fire equipment and improvements.

Building and Land Fund

Building and Land Fund accounts for and reports three percent of income tax revenue that is transferred from the General Fund committed to fund major repair, replacement and improvement of City owned buildings and land.

Tax Increment Financing Fund

The Tax Increment Financing Fund accounts for and reports restricted revenue received from payments in lieu of taxes from area businesses that are within tax increment financing districts, which are used for capital infrastructure improvements or pay for associated debt on past capital improvements within the designated area as well as reimbursing local school districts for a portion of the taxes lost as a result of the exemptions.

Special Assessment Construction Fund

Special Assessment Construction Fund accounts for and reports the sale of notes and the collection of special assessments restricted for the construction of specific projects which will be paid from special assessments.

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,679,622	\$251,075	\$1,598,824	\$4,529,521
Receivables:				
Other Local Taxes	0	0	24,883	24,883
Municipal Income Taxes	0	0	760,373	760,373
Increment Tax	0	0	507,553	507,553
Accounts	0	82,865	0	82,865
Special Assessments	0	785,914	0	785,914
Intergovernmental	596,702	0	0	596,702
Assets Held for Resale	209,029	0	0	209,029
Materials and Supplies Inventory	181,089	0	0	181,089
<i>Total Assets</i>	<u>\$3,666,442</u>	<u>\$1,119,854</u>	<u>\$2,891,633</u>	<u>\$7,677,929</u>
Liabilities:				
Accounts Payable	\$10,776	\$0	\$29,720	\$40,496
Contracts Payable	0	0	2,768	2,768
Interfund Payable	604,798	0	0	604,798
Accrued Wages Payable	43,913	0	2,470	46,383
Intergovernmental Payable	32,361	0	867	33,228
Accrued Interest Payable	0	0	1,178	1,178
Notes Payable	0	0	67,500	67,500
<i>Total Liabilities</i>	<u>691,848</u>	<u>0</u>	<u>104,503</u>	<u>796,351</u>
Deferred Inflows of Resources:				
Payments in Lieu of Taxes	0	0	507,553	507,553
Unavailable Revenue	370,308	868,779	606,875	1,845,962
<i>Total Deferred Inflows of Resources</i>	<u>370,308</u>	<u>868,779</u>	<u>1,114,428</u>	<u>2,353,515</u>
Fund Balances:				
Nonspendable	181,089	0	0	181,089
Restricted	2,418,768	251,075	782,791	3,452,634
Committed	23,555	0	285,741	309,296
Assigned	0	0	625,356	625,356
Unassigned (Deficit)	(19,126)	0	(21,186)	(40,312)
<i>Total Fund Balances</i>	<u>2,604,286</u>	<u>251,075</u>	<u>1,672,702</u>	<u>4,528,063</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,666,442</u>	<u>\$1,119,854</u>	<u>\$2,891,633</u>	<u>\$7,677,929</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	\$0	\$0	\$151,291	\$151,291
Municipal Income Taxes	0	0	1,984,197	1,984,197
Payments in Lieu of Taxes	0	0	419,134	419,134
Fines, Licenses and Permits	336,743	0	185,602	522,345
Charges for Services	59,033	51,754	151,474	262,261
Investment Earnings	6,848	36,896	9,042	52,786
Intergovernmental	1,743,795	0	359,091	2,102,886
Special Assessments	0	248,770	47,202	295,972
Contributions and Donations	5,384	0	0	5,384
Other	158,483	0	20,557	179,040
<i>Total Revenues</i>	<u>2,310,286</u>	<u>337,420</u>	<u>3,327,590</u>	<u>5,975,296</u>
Expenditures:				
Current:				
General Government	44,134	18,292	490,727	553,153
Public Safety	301,397	0	5,768	307,165
Community Development	549,612	0	0	549,612
Transportation and Street Repair	1,404,769	0	0	1,404,769
Public Health and Welfare	115,122	0	0	115,122
Capital Outlay	420,863	0	750,386	1,171,249
Intergovernmental	0	0	253,670	253,670
Debt Service:				
Principal Retirement	20,000	231,000	1,867,329	2,118,329
Interest and Fiscal Charges	0	132,723	113,796	246,519
<i>Total Expenditures</i>	<u>2,855,897</u>	<u>382,015</u>	<u>3,481,676</u>	<u>6,719,588</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(545,611)</u>	<u>(44,595)</u>	<u>(154,086)</u>	<u>(744,292)</u>
Other Financing Sources (Uses):				
Notes Issued	0	0	310,000	310,000
Transfers-In	124,500	0	414,448	538,948
Premium on Debt Issued	0	0	6,935	6,935
Transfers-Out	(13,300)	0	0	(13,300)
<i>Total Other Financing Sources (Uses)</i>	<u>111,200</u>	<u>0</u>	<u>731,383</u>	<u>842,583</u>
<i>Net Change in Fund Balances</i>	(434,411)	(44,595)	577,297	98,291
<i>Fund Balances at Beginning of Year - Restated (See Note 3)</i>	<u>3,038,697</u>	<u>295,670</u>	<u>1,095,405</u>	<u>4,429,772</u>
<i>Fund Balances at End of Year</i>	<u>\$2,604,286</u>	<u>\$251,075</u>	<u>\$1,672,702</u>	<u>\$4,528,063</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$611,759	\$178,578	\$172,297	\$32,368
Receivables:				
Intergovernmental	519,899	42,156	21,348	0
Assets Held for Resale	0	0	15,315	0
Materials and Supplies Inventory	181,089	0	0	0
<i>Total Assets</i>	<u>\$1,312,747</u>	<u>\$220,734</u>	<u>\$208,960</u>	<u>\$32,368</u>
Liabilities:				
Accounts Payable	\$6,276	\$85	\$0	\$3,760
Interfund Payable	4,852	530	154,314	102
Accrued Wages Payable	24,107	2,163	6,810	2,695
Intergovernmental Payable	18,761	1,611	4,612	2,256
<i>Total Liabilities</i>	<u>53,996</u>	<u>4,389</u>	<u>165,736</u>	<u>8,813</u>
Deferred Inflows of Resources:				
Unavailable Revenue	336,893	27,318	0	0
Fund Balances:				
Nonspendable	181,089	0	0	0
Restricted	740,769	189,027	43,224	0
Committed	0	0	0	23,555
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>921,858</u>	<u>189,027</u>	<u>43,224</u>	<u>23,555</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,312,747</u>	<u>\$220,734</u>	<u>\$208,960</u>	<u>\$32,368</u>

Neighborhood Stabilization Fund	Neighborhood Stabilization II Fund	Victim Witness Fund	Home Fund	Victims Assistance Justice Assistance Grant Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
\$21,313	\$180,363	\$5,961	\$83,182	\$13,295	\$155,645	\$9,260
0	0	3,928	3,807	3,837	0	0
57,110	136,604	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$78,423</u>	<u>\$316,967</u>	<u>\$9,889</u>	<u>\$86,989</u>	<u>\$17,132</u>	<u>\$155,645</u>	<u>\$9,260</u>
\$0	\$24	\$41	\$0	\$0	\$0	\$0
0	210,000	0	80,000	15,000	0	0
0	66	4,460	64	236	0	0
4	113	3,127	100	443	0	0
4	210,203	7,628	80,164	15,679	0	0
0	0	1,963	2,407	0	0	0
0	0	0	0	0	0	0
78,419	106,764	298	4,418	1,453	155,645	9,260
0	0	0	0	0	0	0
0	0	0	0	0	0	0
78,419	106,764	298	4,418	1,453	155,645	9,260
<u>\$78,423</u>	<u>\$316,967</u>	<u>\$9,889</u>	<u>\$86,989</u>	<u>\$17,132</u>	<u>\$155,645</u>	<u>\$9,260</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014
(Continued)

	Indigent Drivers Alcohol Treatment Fund	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$340,279	\$7,940	\$170,643	\$52,176	\$1,192
Receivables:					
Intergovernmental	0	0	1,727	0	0
Assets Held for Resale	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$340,279</u>	<u>\$7,940</u>	<u>\$172,370</u>	<u>\$52,176</u>	<u>\$1,192</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0	0
Accrued Wages Payable	0	0	0	2,573	328
Intergovernmental Payable	0	0	0	952	122
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,525</u>	<u>450</u>
Deferred Inflows of Resources:					
Unavailable Revenue	0	0	1,727	0	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	340,279	7,940	170,643	48,651	742
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>340,279</u>	<u>7,940</u>	<u>170,643</u>	<u>48,651</u>	<u>742</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$340,279</u>	<u>\$7,940</u>	<u>\$172,370</u>	<u>\$52,176</u>	<u>\$1,192</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Total Nonmajor Special Revenue Funds
\$85,402	\$325,809	\$111,160	\$121,000	\$2,679,622
0	0	0	0	596,702
0	0	0	0	209,029
0	0	0	0	181,089
<u>\$85,402</u>	<u>\$325,809</u>	<u>\$111,160</u>	<u>\$121,000</u>	<u>\$3,666,442</u>
\$0	\$143	\$447	\$0	\$10,776
0	0	0	140,000	604,798
0	357	0	54	43,913
0	188	0	72	32,361
0	688	447	140,126	691,848
0	0	0	0	370,308
0	0	0	0	181,089
85,402	325,121	110,713	0	2,418,768
0	0	0	0	23,555
0	0	0	(19,126)	(19,126)
85,402	325,121	110,713	(19,126)	2,604,286
<u>\$85,402</u>	<u>\$325,809</u>	<u>\$111,160</u>	<u>\$121,000</u>	<u>\$3,666,442</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund
Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	32,391
Investment Earnings	4,395	1,171	0	0
Intergovernmental	1,131,050	91,706	317,387	0
Contributions and Donations	0	0	0	0
Other	113,767	570	6,219	744
<i>Total Revenues</i>	<u>1,249,212</u>	<u>93,447</u>	<u>323,606</u>	<u>33,135</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	274,200	0
Transportation and Street Repair	1,299,206	105,563	0	0
Public Health and Welfare	0	0	0	115,122
Capital Outlay	62,197	0	4,399	0
Debt Service:				
Principal Retirement	0	0	0	0
<i>Total Expenditures</i>	<u>1,361,403</u>	<u>105,563</u>	<u>278,599</u>	<u>115,122</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(112,191)</u>	<u>(12,116)</u>	<u>45,007</u>	<u>(81,987)</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	0	80,000
Transfers-Out	(13,300)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(13,300)</u>	<u>0</u>	<u>0</u>	<u>80,000</u>
<i>Net Change in Fund Balances</i>	(125,491)	(12,116)	45,007	(1,987)
<i>Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)</i>	<u>1,047,349</u>	<u>201,143</u>	<u>(1,783)</u>	<u>25,542</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$921,858</u>	<u>\$189,027</u>	<u>\$43,224</u>	<u>\$23,555</u>

Neighborhood Stabilization Fund	Neighborhood Stabilization II Fund	Victim Witness Fund	Home Fund	Victims Assistance Justice Assistance Grant Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund	Indigent Drivers Alcohol Treatment Fund
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,832
11,433	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	55,644	1,400	25,599	0	0	6,320
0	0	0	0	0	5,384	0	0
220	248	1,612	0	0	32,893	2,210	0
11,653	248	57,256	1,400	25,599	38,277	2,210	50,152
0	0	0	0	0	0	0	0
0	0	91,331	0	33,930	16,789	0	47,091
52,885	76,505	0	7,123	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
178,075	0	0	0	0	11,630	1,798	0
0	0	0	0	0	0	0	0
230,960	76,505	91,331	7,123	33,930	28,419	1,798	47,091
(219,307)	(76,257)	(34,075)	(5,723)	(8,331)	9,858	412	3,061
0	0	34,500	0	10,000	0	0	0
0	0	0	0	0	0	0	0
0	0	34,500	0	10,000	0	0	0
(219,307)	(76,257)	425	(5,723)	1,669	9,858	412	3,061
297,726	183,021	(127)	10,141	(216)	145,787	8,848	337,218
\$78,419	\$106,764	\$298	\$4,418	\$1,453	\$155,645	\$9,260	\$340,279

(continued)

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014
(Continued)

	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Revenues:				
Fines, Licenses and Permits	\$2,475	\$438	\$101,602	\$18,214
Charges for Services	0	0	0	0
Investment Earnings	0	1,282	0	0
Intergovernmental	0	3,504	0	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>2,475</u>	<u>5,224</u>	<u>101,602</u>	<u>18,214</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	1,100	5,593	77,772	18,519
Community Development	0	0	0	0
Transportation and Street Repair	0	0	0	0
Public Health and Welfare	0	0	0	0
Capital Outlay	0	92,967	0	0
Debt Service:				
Principal Retirement	0	20,000	0	0
<i>Total Expenditures</i>	<u>1,100</u>	<u>118,560</u>	<u>77,772</u>	<u>18,519</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,375</u>	<u>(113,336)</u>	<u>23,830</u>	<u>(305)</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	0	0
Transfers-Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,375	(113,336)	23,830	(305)
<i>Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)</i>	<u>6,565</u>	<u>283,979</u>	<u>24,821</u>	<u>1,047</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$7,940</u></u>	<u><u>\$170,643</u></u>	<u><u>\$48,651</u></u>	<u><u>\$742</u></u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Total Nonmajor Special Revenue Funds
\$17,769	\$128,701	\$23,712	\$0	\$336,743
0	0	0	15,209	59,033
0	0	0	0	6,848
0	0	0	111,185	1,743,795
0	0	0	0	5,384
0	0	0	0	158,483
<u>17,769</u>	<u>128,701</u>	<u>23,712</u>	<u>126,394</u>	<u>2,310,286</u>
3,800	40,334	0	0	44,134
0	0	9,272	0	301,397
0	0	0	138,899	549,612
0	0	0	0	1,404,769
0	0	0	0	115,122
5,387	64,410	0	0	420,863
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
<u>9,187</u>	<u>104,744</u>	<u>9,272</u>	<u>138,899</u>	<u>2,855,897</u>
<u>8,582</u>	<u>23,957</u>	<u>14,440</u>	<u>(12,505)</u>	<u>(545,611)</u>
0	0	0	0	124,500
0	0	0	0	(13,300)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,200</u>
8,582	23,957	14,440	(12,505)	(434,411)
<u>76,820</u>	<u>301,164</u>	<u>96,273</u>	<u>(6,621)</u>	<u>3,038,697</u>
<u>\$85,402</u>	<u>\$325,121</u>	<u>\$110,713</u>	<u>(\$19,126)</u>	<u>\$2,604,286</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund	Public Safety Equipment/ Facility Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$140,272	\$634,874	\$260,858	\$355,132
Receivables:				
Other Local Taxes	0	0	24,883	0
Municipal Income Taxes	0	0	0	760,373
Increment Tax	0	0	0	0
<i>Total Assets</i>	<u>\$140,272</u>	<u>\$634,874</u>	<u>\$285,741</u>	<u>\$1,115,505</u>
Liabilities:				
Accounts Payable	\$1,898	\$6,750	\$0	\$12,026
Contracts Payable	0	2,768	0	0
Accrued Wages Payable	2,470	0	0	0
Intergovernmental Payable	867	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>5,235</u>	<u>9,518</u>	<u>0</u>	<u>12,026</u>
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	0	0	0	0
Unavailable Revenue	0	0	0	606,875
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>606,875</u>
Fund Balances:				
Restricted	135,037	0	0	496,604
Committed	0	0	285,741	0
Assigned	0	625,356	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>135,037</u>	<u>625,356</u>	<u>285,741</u>	<u>496,604</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$140,272</u>	<u>\$634,874</u>	<u>\$285,741</u>	<u>\$1,115,505</u>

Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	Total Nonmajor Capital Projects Funds
\$56,538	\$50,747	\$100,403	\$1,598,824
0	0	0	24,883
0	0	0	760,373
0	507,553	0	507,553
<u>\$56,538</u>	<u>\$558,300</u>	<u>\$100,403</u>	<u>\$2,891,633</u>
\$9,046	\$0	\$0	\$29,720
0	0	0	2,768
0	0	0	2,470
0	0	0	867
1,178	0	0	1,178
67,500	0	0	67,500
<u>77,724</u>	<u>0</u>	<u>0</u>	<u>104,503</u>
0	507,553	0	507,553
0	0	0	606,875
0	507,553	0	1,114,428
0	50,747	100,403	782,791
0	0	0	285,741
0	0	0	625,356
(21,186)	0	0	(21,186)
<u>(21,186)</u>	<u>50,747</u>	<u>100,403</u>	<u>1,672,702</u>
<u>\$56,538</u>	<u>\$558,300</u>	<u>\$100,403</u>	<u>\$2,891,633</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014

	Issue II Improvement Fund	Court Special Projects Fund	General Capital Improvement Fund
Revenues:			
Other Local Taxes	\$0	\$0	\$0
Municipal Income Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Fines, Licenses and Permits	0	185,602	0
Charges for Services	0	0	0
Investment Earnings	0	0	2,986
Intergovernmental	359,091	0	0
Special Assessments	0	0	47,202
Other	0	0	0
<i>Total Revenues</i>	<u>359,091</u>	<u>185,602</u>	<u>50,188</u>
Expenditures:			
Current:			
General Government	0	78,006	72,448
Public Safety	0	0	0
Capital Outlay	359,091	11,491	32,954
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	0	9,829	70,000
Interest and Fiscal Charges	0	39	1,247
<i>Total Expenditures</i>	<u>359,091</u>	<u>99,365</u>	<u>176,649</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>86,237</u>	<u>(126,461)</u>
Other Financing Sources:			
Notes Issued	0	0	0
Transfers-In	0	0	165,759
Premium on Debt Issued	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>165,759</u>
<i>Net Change in Fund Balances</i>	0	86,237	39,298
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>48,800</u>	<u>586,058</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$135,037</u></u>	<u><u>\$625,356</u></u>

Parks and Recreation Improvements Fund	Public Safety Equipment/Facility Fund	Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	Total Nonmajor Capital Projects Funds
\$151,291	\$0	\$0	\$0	\$0	\$151,291
0	1,984,197	0	0	0	1,984,197
0	0	0	419,134	0	419,134
0	0	0	0	0	185,602
18,477	21,888	1,000	0	110,109	151,474
1,642	4,414	0	0	0	9,042
0	0	0	0	0	359,091
0	0	0		0	47,202
3,555	15,018	1,984	0	0	20,557
<u>174,965</u>	<u>2,025,517</u>	<u>2,984</u>	<u>419,134</u>	<u>110,109</u>	<u>3,327,590</u>
0	263,946	65,943	1,381	9,003	490,727
0	5,768	0	0	0	5,768
118,231	190,837	37,782	0	0	750,386
0	0	0	253,670	0	253,670
0	1,245,000	457,500	85,000	0	1,867,329
0	56,025	21,458	34,688	339	113,796
<u>118,231</u>	<u>1,761,576</u>	<u>582,683</u>	<u>374,739</u>	<u>9,342</u>	<u>3,481,676</u>
<u>56,734</u>	<u>263,941</u>	<u>(579,699)</u>	<u>44,395</u>	<u>100,767</u>	<u>(154,086)</u>
0	0	310,000	0	0	310,000
0	0	248,689	0	0	414,448
0	0	6,935	0	0	6,935
<u>0</u>	<u>0</u>	<u>565,624</u>	<u>0</u>	<u>0</u>	<u>731,383</u>
56,734	263,941	(14,075)	44,395	100,767	577,297
<u>229,007</u>	<u>232,663</u>	<u>(7,111)</u>	<u>6,352</u>	<u>(364)</u>	<u>1,095,405</u>
<u>\$285,741</u>	<u>\$496,604</u>	<u>(\$21,186)</u>	<u>\$50,747</u>	<u>\$100,403</u>	<u>\$1,672,702</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Internal Service Funds

Internal service funds are used 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 other funds for the labor, parts, and overhead to repair and maintain City equipment and vehicles.

Information Technology Fund

To account for charges to other funds for information technology services.

Employee Assistance Program Fund

To account for the payment of employee assistance programs and other human resource costs associated with employees' health and benefits.

City of Fairborn, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2014

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Total
Assets:				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$177,248	\$151,142	\$152,542	\$480,932
Interfund Receivable	27,837	0	0	27,837
Materials and Supplies Inventory	137,775	0	0	137,775
<i>Total Current Assets</i>	<u>342,860</u>	<u>151,142</u>	<u>152,542</u>	<u>646,544</u>
Non-current Assets				
Depreciable Capital Assets, Net	137,235	53,094	0	190,329
<i>Total Assets</i>	<u>480,095</u>	<u>204,236</u>	<u>152,542</u>	<u>836,873</u>
Liabilities:				
Current Liabilities				
Accounts Payable	24,021	16,534	1,063	41,618
Accrued Wages Payable	16,585	12,542	0	29,127
Intergovernmental Payable	13,638	8,835	0	22,473
Interfund Payable	0	26	0	26
Capital Lease Payable	6,437	0	0	6,437
Compensated Absences Payable	49,140	3,784	0	52,924
<i>Total Current Liabilities</i>	<u>109,821</u>	<u>41,721</u>	<u>1,063</u>	<u>152,605</u>
Long-Term Liabilities				
Capital Lease Payable	17,120	0	0	17,120
Compensated Absences Payable	8,624	34	0	8,658
<i>Total Long-Term Liabilities</i>	<u>25,744</u>	<u>34</u>	<u>0</u>	<u>25,778</u>
<i>Total Liabilities</i>	<u>135,565</u>	<u>41,755</u>	<u>1,063</u>	<u>178,383</u>
Net Position:				
Net Investment in Capital Assets	113,678	53,094	0	166,772
Unrestricted	230,852	109,387	151,479	491,718
<i>Total Net Position</i>	<u>\$344,530</u>	<u>\$162,481</u>	<u>\$151,479</u>	<u>\$658,490</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2014

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Total
Operating Revenues:				
Charges for Services	\$1,520,483	\$489,972	\$0	\$2,010,455
Other	650	526	0	1,176
<i>Total Operating Revenues</i>	<u>1,521,133</u>	<u>490,498</u>	<u>0</u>	<u>2,011,631</u>
Operating Expenses:				
Personal Services	486,981	302,408	0	789,389
Contractual Services	34,647	137,207	4,251	176,105
Materials and Supplies	1,014,414	21,746	0	1,036,160
Depreciation	23,354	12,174	0	35,528
<i>Total Operating Expenses</i>	<u>1,559,396</u>	<u>473,535</u>	<u>4,251</u>	<u>2,037,182</u>
<i>Operating Income (Loss)</i>	<u>(38,263)</u>	<u>16,963</u>	<u>(4,251)</u>	<u>(25,551)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	1,004	1,004
Interest and Fiscal Charges	(1,002)	0	0	(1,002)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,002)</u>	<u>0</u>	<u>1,004</u>	<u>2</u>
<i>Income (Loss) Before Transfers</i>	(39,265)	16,963	(3,247)	(25,549)
Transfers-Out	(1,877)	0	0	(1,877)
<i>Change in Net Position</i>	(41,142)	16,963	(3,247)	(27,426)
<i>Net Position at Beginning of Year</i>	<u>385,672</u>	<u>145,518</u>	<u>154,726</u>	<u>685,916</u>
<i>Net Position at End of Year</i>	<u>\$344,530</u>	<u>\$162,481</u>	<u>\$151,479</u>	<u>\$658,490</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received From Interfund Services Provided	\$1,530,714	\$489,998	\$0	\$2,020,712
Cash Received From Other Operating Revenues	650	526	0	1,176
Cash Payments for Employee Services and Benefits	(512,946)	(298,659)	0	(811,605)
Cash Payments to Suppliers	(1,010,325)	(149,243)	(3,188)	(1,162,756)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>8,093</u>	<u>42,622</u>	<u>(3,188)</u>	<u>47,527</u>
Cash Flows Used for Capital and Related Financing Activities:				
Acquisition of Capital Assets	0	(16,861)	0	(16,861)
Capital Lease Principal Payments	(6,215)	0	0	(6,215)
Capital Lease Interest Payments	(1,002)	0	0	(1,002)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(7,217)</u>	<u>(16,861)</u>	<u>0</u>	<u>(24,078)</u>
Cash Flows from Investing Activities:				
Interest	0	0	1,004	1,004
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	876	25,761	(2,184)	24,453
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>176,372</u>	<u>125,381</u>	<u>154,726</u>	<u>456,479</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$177,248</u>	<u>\$151,142</u>	<u>\$152,542</u>	<u>\$480,932</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$38,263)	\$16,963	(\$4,251)	(\$25,551)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	23,354	12,174	0	35,528
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	38,068	0	0	38,068
Decrease in Materials and Supplies Inventory	66,204	0	0	66,204
Increase in Interfund Receivable	(27,837)	0	0	(27,837)
Increase (Decrease) in Accounts Payable	(27,468)	9,710	1,063	(16,695)
Increase in Accrued Wages Payable	1,166	2,628	0	3,794
Increase (Decrease) in Intergovernmental Payable	(14)	1,382	0	1,368
Increase in Interfund Payable	0	26	0	26
Decrease in Compensated Absences Payable	(27,117)	(261)	0	(27,378)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$8,093</u>	<u>\$42,622</u>	<u>(\$3,188)</u>	<u>\$47,527</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Agency Fund

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Municipal Court Fund

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

City of Fairborn, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2014

	Balance at 12/31/2013	Additions	Reductions	Balance at 12/31/2014
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$236,481	\$3,665,414	\$3,610,434	\$291,461
Liabilities:				
Undistributed Monies	\$236,481	\$3,665,414	\$3,610,434	\$291,461

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$837,021	\$837,021	\$0
Other Local Taxes	700,000	674,872	(25,128)
Municipal Income Taxes	8,143,633	8,012,051	(131,582)
Fines, Licenses and Permits	1,095,500	1,225,627	130,127
Charges for Services	3,205,190	3,112,725	(92,465)
Investment Earnings	40,000	154,320	114,320
Intergovernmental	986,956	1,114,371	127,415
Other	159,417	172,464	13,047
<i>Total Revenues</i>	<u>15,167,717</u>	<u>15,303,451</u>	<u>135,734</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	121,981	118,782	3,199
Contractual Services	66,691	64,762	1,929
Materials and Supplies	8,226	6,922	1,304
<i>Total City Council</i>	<u>196,898</u>	<u>190,466</u>	<u>6,432</u>
Municipal Court			
Personal Services	1,706,882	1,647,564	59,318
Contractual Services	296,212	278,448	17,764
Materials and Supplies	33,265	32,083	1,182
<i>Total Municipal Court</i>	<u>2,036,359</u>	<u>1,958,095</u>	<u>78,264</u>
Jail Diversion Grant			
Personal Services	44,557	44,332	225
Contractual Services	27,405	27,404	1
<i>Total Jail Diversion Grant</i>	<u>71,962</u>	<u>71,736</u>	<u>226</u>
City Manager's Office			
Personal Services	322,339	311,572	10,767
Contractual Services	31,305	30,583	722
Materials and Supplies	5,431	4,729	702
<i>Total City Manager's Office</i>	<u>359,075</u>	<u>346,884</u>	<u>12,191</u>
Administration and General Accounting			
Personal Services	530,115	513,779	16,336
Contractual Services	94,144	77,042	17,102
Materials and Supplies	4,421	4,271	150
<i>Total Administration and General Accounting</i>	<u>\$628,680</u>	<u>\$595,092</u>	<u>\$33,588</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2014
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Utilities Accounting			
Personal Services	\$214,309	\$195,215	\$19,094
Contractual Services	113,110	113,110	0
Materials and Supplies	6,368	6,044	324
<i>Total Utilities Accounting</i>	<u>333,787</u>	<u>314,369</u>	<u>19,418</u>
City Income Tax Accounting			
Personal Services	159,601	153,003	6,598
Contractual Services	467,873	456,233	11,640
Materials and Supplies	3,697	3,644	53
<i>Total City Income Tax Accounting</i>	<u>631,171</u>	<u>612,880</u>	<u>18,291</u>
Legal Department			
Personal Services	222,957	221,153	1,804
Contractual Services	74,800	55,559	19,241
Materials and Supplies	6,701	6,701	0
<i>Total Legal Department</i>	<u>304,458</u>	<u>283,413</u>	<u>21,045</u>
Personnel Department			
Personal Services	90,758	85,866	4,892
Contractual Services	148,840	137,832	11,008
Materials and Supplies	9,610	9,491	119
<i>Total Personnel Department</i>	<u>249,208</u>	<u>233,189</u>	<u>16,019</u>
Engineering and Drafting			
Personal Services	371,671	352,000	19,671
Contractual Services	51,044	45,693	5,351
Materials and Supplies	15,267	14,215	1,052
<i>Total Engineering and Drafting</i>	<u>437,982</u>	<u>411,908</u>	<u>26,074</u>
Police Animal Control			
Contractual Services	50,500	50,500	0
Plant Maintenance			
Personal Services	373,393	352,915	20,478
Contractual Services	144,115	136,828	7,287
Materials and Supplies	103,709	103,304	405
<i>Total Plant Maintenance</i>	<u>621,217</u>	<u>593,047</u>	<u>28,170</u>
Contingency			
Personal Services	69,156	68,541	615
Contractual Services	1,336,215	1,335,036	1,179
Materials and Supplies	17,909	17,531	378
<i>Total Contingency</i>	<u>1,423,280</u>	<u>1,421,108</u>	<u>2,172</u>
<i>Total General Government</i>	<u>\$7,344,577</u>	<u>\$7,082,687</u>	<u>\$261,890</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2014
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities			
Parks and Recreation			
Personal Services	\$160,906	\$152,564	\$8,342
Contractual Services	50,144	50,047	97
Materials and Supplies	38,777	35,843	2,934
<i>Total Leisure Time Activities</i>	249,827	238,454	11,373
Community Development			
Community Development Urban Planner			
Personal Services	320,011	280,729	39,282
Contractual Services	42,153	41,971	182
Materials and Supplies	5,847	5,591	256
<i>Total Community Development Urban Planner</i>	368,011	328,291	39,720
Building Inspection and Zoning Enforcement			
Personal Services	350,393	326,342	24,051
Contractual Services	44,809	28,252	16,557
Materials and Supplies	16,103	15,574	529
<i>Total Building Inspection and Zoning Enforcement</i>	411,305	370,168	41,137
Economic Development			
Personal Services	142,938	140,899	2,039
Contractual Services	296,780	287,780	9,000
Materials and Supplies	2,169	1,609	560
<i>Total Economic Development</i>	441,887	430,288	11,599
<i>Total Community Development</i>	1,221,203	1,128,747	92,456
Capital Outlay	324,731	316,836	7,895
<i>Total Expenditures</i>	9,140,338	8,766,724	373,614
<i>Excess of Revenues Over Expenditures</i>	6,027,379	6,536,727	509,348
Other Financing Uses:			
Advances-Out	(130,000)	(130,000)	0
Transfers-Out	(6,642,357)	(6,640,818)	1,539
<i>Total Other Financing Uses</i>	(6,772,357)	(6,770,818)	1,539
<i>Net Change in Fund Balance</i>	(744,978)	(234,091)	510,887
<i>Fund Balance at Beginning of Year</i>	8,569,436	8,569,436	0
<i>Prior Year Encumbrances Appropriated</i>	563,752	563,752	0
<i>Fund Balance at End of Year</i>	\$8,388,210	\$8,899,097	\$510,887

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,216,596	\$2,216,596	\$0
Fines, Licenses and Permits	1,200	2,665	1,465
Charges for Services	1,987,410	1,955,501	(31,909)
Intergovernmental	549,010	544,107	(4,903)
Other	1,000	59,446	58,446
<i>Total Revenues</i>	<u>4,755,216</u>	<u>4,778,315</u>	<u>23,099</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	400,159	397,001	3,158
Contractual Services	509,602	491,739	17,863
Materials and Supplies	33,003	32,903	100
<i>Total Fire Administrative Services</i>	<u>942,764</u>	<u>921,643</u>	<u>21,121</u>
Fire Life Safety			
Personal Services	163,327	161,914	1,413
Contractual Services	610	509	101
Materials and Supplies	1,892	1,834	58
<i>Total Fire Life Safety</i>	<u>165,829</u>	<u>164,257</u>	<u>1,572</u>
Fire Operations			
Personal Services	5,402,942	5,337,427	65,515
Contractual Services	92,514	86,658	5,856
Materials and Supplies	228,272	227,273	999
<i>Total Fire Operations</i>	<u>5,723,728</u>	<u>5,651,358</u>	<u>72,370</u>
Training			
Personal Services	127,522	121,488	6,034
Contractual Services	3,594	3,356	238
Materials and Supplies	2,500	2,498	2
<i>Total Training</i>	<u>133,616</u>	<u>127,342</u>	<u>6,274</u>
<i>Total Public Safety</i>	<u>6,965,937</u>	<u>6,864,600</u>	<u>101,337</u>
Capital Outlay	1,500	1,500	0
<i>Total Expenditures</i>	<u>6,967,437</u>	<u>6,866,100</u>	<u>101,337</u>
<i>Excess of Revenues Under Expenditures</i>	(2,212,221)	(2,087,785)	124,436
Other Financing Sources:			
Transfers-In	2,118,837	2,096,837	(22,000)
<i>Net Change in Fund Balance</i>	(93,384)	9,052	102,436
<i>Fund Balance at Beginning of Year</i>	5,987	5,987	0
<i>Prior Year Encumbrances Appropriated</i>	<u>136,182</u>	<u>136,182</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$48,785</u>	<u>\$151,221</u>	<u>\$102,436</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,216,596	\$2,216,596	\$0
Fines, Licenses and Permits	2,200	2,565	365
Charges for Services	35,000	50,246	15,246
Intergovernmental	412,463	399,670	(12,793)
Other	78,214	92,940	14,726
<i>Total Revenues</i>	<u>2,744,473</u>	<u>2,762,017</u>	<u>17,544</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	823,852	804,458	19,394
Contractual Services	509,772	501,326	8,446
Materials and Supplies	41,306	40,315	991
<i>Total Police Administrative Services</i>	<u>1,374,930</u>	<u>1,346,099</u>	<u>28,831</u>
Police Dispatch			
Personal Services	743,652	723,767	19,885
Contractual Services	52,328	50,080	2,248
<i>Total Police Dispatch</i>	<u>795,980</u>	<u>773,847</u>	<u>22,133</u>
Police Detective Section			
Personal Services	653,766	646,514	7,252
Contractual Services	6,911	6,411	500
Materials and Supplies	33,640	33,427	213
<i>Total Police Detective Section</i>	<u>694,317</u>	<u>686,352</u>	<u>7,965</u>
Police Patrol Section			
Personal Services	3,543,968	3,488,950	55,018
Contractual Services	12,156	11,756	400
Materials and Supplies	160,622	160,607	15
<i>Total Police Patrol Section</i>	<u>3,716,746</u>	<u>3,661,313</u>	<u>55,433</u>
D.A.R.E.			
Personal Services	118,085	115,892	2,193
Contractual Services	104	0	104
<i>Total D.A.R.E.</i>	<u>118,189</u>	<u>115,892</u>	<u>2,297</u>
<i>Total Public Safety</i>	<u>\$6,700,162</u>	<u>\$6,583,503</u>	<u>\$116,659</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2014
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay	\$124,000	\$124,000	\$0
<i>Total Expenditures</i>	6,824,162	6,707,503	116,659
<i>Excess of Revenues Under Expenditures</i>	(4,079,689)	(3,945,486)	134,203
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	4,171	4,171
Transfers-In	4,033,333	4,018,333	(15,000)
<i>Total Other Financing Sources</i>	4,033,333	4,022,504	(10,829)
<i>Net Change in Fund Balance</i>	(46,356)	77,018	123,374
<i>Fund Balance at Beginning of Year</i>	55,099	55,099	0
<i>Prior Year Encumbrances Appropriated</i>	88,710	88,710	0
<i>Fund Balance at End of Year</i>	\$97,453	\$220,827	\$123,374

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,035,908	\$2,001,564	(\$34,344)
Fines, Licenses and Permits	0	26,954	26,954
Investment Earnings	5,000	27,198	22,198
Intergovernmental	1,306,440	280,870	(1,025,570)
Other	0	30,272	30,272
<i>Total Revenues</i>	<u>3,347,348</u>	<u>2,366,858</u>	<u>(980,490)</u>
Expenditures:			
Current:			
Transportation and Street Repair Spangler Road Improvements Contractual Services	63,558	35,545	28,013
Xenia DR RR Crossing Water Main Contractual Services	13,941	13,941	0
DYS Rd Phase III Contractual Services	203	0	203
Cleary Drive EXT Contractual Services	9,796	9,796	0
Dayton Drive Design Contractual Services	96,905	96,905	0
I-675/DYS ODOT Study Contractual Services	40,500	39,748	752
Main St Streetscape Phase III Contractual Services	60,000	59,984	16
Waterford Landing Section 4 Contractual Services	8,384	8,384	0
Bluffs Inspection Services Contractual Services	21,554	21,554	0
Street Tax Levy Contractual Services	198,836	198,836	0
<i>Total Transportation and Street Repair</i>	<u>513,677</u>	<u>484,693</u>	<u>28,984</u>
Capital Outlay	4,687,912	4,278,111	409,801
Debt Service:			
Principal Retirement	852,500	852,500	0
Interest and Fiscal Charges	12,600	12,534	66
<i>Total Debt Service</i>	<u>865,100</u>	<u>865,034</u>	<u>66</u>
<i>Total Expenditures</i>	<u>\$6,066,689</u>	<u>\$5,627,838</u>	<u>\$438,851</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2014
(continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Under Expenditures</i>	<u>(\$2,719,341)</u>	<u>(\$3,260,980)</u>	<u>(\$541,639)</u>
Other Financing Sources:			
Notes Issued	900,600	900,600	0
Premium on Debt Issued	<u>7,000</u>	<u>7,385</u>	<u>385</u>
<i>Total Other Financing Sources</i>	<u>907,600</u>	<u>907,985</u>	<u>385</u>
<i>Net Change in Fund Balance</i>	(1,811,741)	(2,352,995)	(541,254)
<i>Fund Balance at Beginning of Year</i>	4,100,806	4,100,806	0
<i>Prior Year Encumbrances Appropriated</i>	<u>250,628</u>	<u>250,628</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,539,693</u></u>	<u><u>\$1,998,439</u></u>	<u><u>(\$541,254)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$4,354,837	\$4,175,456	(\$179,381)
Tap-In Fees	40,000	36,480	(3,520)
Investment Earnings	10,000	10,634	634
Notes Issued	718,100	718,100	0
Premium on Debt Issued	5,888	5,888	0
Other	91,459	127,866	36,407
<i>Total Revenues</i>	<u>5,220,284</u>	<u>5,074,424</u>	<u>(145,860)</u>
Expenses:			
Personal Services	1,335,024	1,268,020	67,004
Contractual Services	2,018,360	1,785,290	233,070
Materials and Supplies	295,353	291,825	3,528
Capital Outlay	3,644,973	3,355,977	288,996
Debt Service:			
Principal Retirement	1,710,986	1,710,986	0
Interest and Fiscal Charges	137,845	122,845	15,000
<i>Total Expenses</i>	<u>9,142,541</u>	<u>8,534,943</u>	<u>607,598</u>
<i>Net Change in Fund Equity</i>	(3,922,257)	(3,460,519)	461,738
<i>Fund Equity at Beginning of Year</i>	5,875,452	5,875,452	0
<i>Prior Year Encumbrances Appropriated</i>	<u>505,896</u>	<u>505,896</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$2,459,091</u></u>	<u><u>\$2,920,829</u></u>	<u><u>\$461,738</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$7,017,244	\$6,644,188	(\$373,056)
Tap-In Fees	20,000	25,547	5,547
Investment Earnings	10,000	15,614	5,614
Notes Issued	100,000	100,000	0
Premium on Debt Issued	1,837	1,837	0
Other	0	21,730	21,730
<i>Total Revenues</i>	<u>7,149,081</u>	<u>6,808,916</u>	<u>(340,165)</u>
Expenses:			
Personal Services	1,398,303	1,360,392	37,911
Contractual Services	3,074,205	2,733,733	340,472
Materials and Supplies	359,382	351,822	7,560
Capital Outlay	2,099,733	1,842,685	257,048
Debt Service:			
Principal Retirement	338,700	338,700	0
Interest and Fiscal Charges	398,103	383,103	15,000
<i>Total Expenses</i>	<u>7,668,426</u>	<u>7,010,435</u>	<u>657,991</u>
<i>Net Change in Fund Equity</i>	(519,345)	(201,519)	317,826
<i>Fund Equity at Beginning of Year</i>	6,742,377	6,742,377	0
<i>Prior Year Encumbrances Appropriated</i>	<u>981,831</u>	<u>981,831</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$7,204,863</u></u>	<u><u>\$7,522,689</u></u>	<u><u>\$317,826</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sanitation Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,707,054	\$2,741,091	\$34,037
Expenses:			
Personal Services	145,128	137,260	7,868
Contractual Services	2,652,108	2,647,336	4,772
Materials and Supplies	32,798	31,937	861
Capital Outlay	4,150	0	4,150
<i>Total Expenses</i>	<u>2,834,184</u>	<u>2,816,533</u>	<u>17,651</u>
<i>Net Change in Fund Equity</i>	(127,130)	(75,442)	51,688
<i>Fund Equity at Beginning of Year</i>	618,926	618,926	0
<i>Prior Year Encumbrances Appropriated</i>	<u>186,510</u>	<u>186,510</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$678,306</u></u>	<u><u>\$729,994</u></u>	<u><u>\$51,688</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Maintenance and Repair Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$4,395	\$2,395
Intergovernmental	1,065,500	1,130,694	65,194
Other	71,900	113,767	41,867
<i>Total Revenues</i>	<u>1,139,400</u>	<u>1,248,856</u>	<u>109,456</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	77,036	73,893	3,143
Contractual Services	150,302	147,175	3,127
Materials and Supplies	4,117	2,299	1,818
<i>Total General Street Administration</i>	<u>231,455</u>	<u>223,367</u>	<u>8,088</u>
Maintenance and Repairs			
Personal Services	542,988	524,029	18,959
Contractual Services	5,711	5,191	520
Materials and Supplies	510,651	506,014	4,637
<i>Total Maintenance and Repairs</i>	<u>1,059,350</u>	<u>1,035,234</u>	<u>24,116</u>
Traffic Signs and Signals			
Personal Services	207,730	200,680	7,050
Contractual Services	36,236	36,066	170
Materials and Supplies	43,035	41,117	1,918
<i>Total Traffic Signs and Signals</i>	<u>287,001</u>	<u>277,863</u>	<u>9,138</u>
<i>Total Transportation and Street Repair</i>	<u>1,577,806</u>	<u>1,536,464</u>	<u>41,342</u>
Capital Outlay	80,793	80,058	735
<i>Total Expenditures</i>	<u>1,658,599</u>	<u>1,616,522</u>	<u>42,077</u>
<i>Excess of Revenues Under Expenditures</i>	(519,199)	(367,666)	151,533
Other Financing Uses:			
Transfers Out	(13,300)	(13,300)	0
<i>Net Change in Fund Balance</i>	(532,499)	(380,966)	151,533
<i>Fund Balance at Beginning of Year</i>	737,310	737,310	0
<i>Prior Year Encumbrances Appropriated</i>	161,463	161,463	0
<i>Fund Balance at End of Year</i>	<u>\$366,274</u>	<u>\$517,807</u>	<u>\$151,533</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Highway Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$1,000	\$1,171	\$171
Intergovernmental	86,715	91,678	4,963
Other	0	570	570
<i>Total Revenues</i>	<u>87,715</u>	<u>93,419</u>	<u>5,704</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	71,889	69,454	2,435
Contractual Services	4,376	4,190	186
Materials and Supplies	39,968	38,976	992
<i>Total Street General Administration</i>	<u>116,233</u>	<u>112,620</u>	<u>3,613</u>
Capital Outlay	146	0	146
<i>Total Expenditures</i>	<u>116,379</u>	<u>112,620</u>	<u>3,759</u>
<i>Net Change in Fund Balance</i>	(28,664)	(19,201)	9,463
<i>Fund Balance at Beginning of Year</i>	185,028	185,028	0
<i>Prior Year Encumbrances Appropriated</i>	<u>8,448</u>	<u>8,448</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$164,812</u></u>	<u><u>\$174,275</u></u>	<u><u>\$9,463</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$350,000	\$296,039	(\$53,961)
Other	2,867	6,219	3,352
<i>Total Revenues</i>	<u>352,867</u>	<u>302,258</u>	<u>(50,609)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	55,509	53,340	2,169
Contractual Services	11,315	10,803	512
Materials and Supplies	1,460	1,419	41
<i>Total Entitlement Administration</i>	<u>68,284</u>	<u>65,562</u>	<u>2,722</u>
Code Enforcement			
Personal Services	104,317	101,112	3,205
Contractual Services	16,314	16,112	202
Materials and Supplies	14,064	13,962	102
<i>Total Code Enforcement</i>	<u>134,695</u>	<u>131,186</u>	<u>3,509</u>
Entitlement Fair Housing			
Personal Services	2,427	1,741	686
Contractual Services	26,020	25,438	582
Materials and Supplies	551	551	0
<i>Total Entitlement Fair Housing</i>	<u>28,998</u>	<u>27,730</u>	<u>1,268</u>
Tool Lending Closet			
Personal Services	1,931	1,800	131
Materials and Supplies	1,100	1,100	0
<i>Total Lending Closet</i>	<u>3,031</u>	<u>2,900</u>	<u>131</u>
Property Demolition			
Contractual Services	36,100	31,356	4,744
Community Developmental Home Repair			
Personal Services	24,018	22,454	1,564
Contractual Services	86,220	86,220	0
<i>Total Community Developmental Home Repair</i>	<u>110,238</u>	<u>108,674</u>	<u>1,564</u>
<i>Total Community Development</i>	<u>381,346</u>	<u>367,408</u>	<u>13,938</u>
Capital Outlay	6,000	4,401	1,599
<i>Total Expenditures</i>	<u>387,346</u>	<u>371,809</u>	<u>15,537</u>
<i>Excess of Revenues Under Expenditures</i>	(\$34,479)	(\$69,551)	(\$35,072)

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2014
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources:			
Advances-In	\$0	\$50,000	\$50,000
<i>Net Change in Fund Balance</i>	(34,479)	(19,551)	14,928
<i>Fund Balance at Beginning of Year</i>	85,864	85,864	0
<i>Prior Year Encumbrances Appropriated</i>	24,132	24,132	0
<i>Fund Balance at End of Year</i>	<u>\$75,517</u>	<u>\$90,445</u>	<u>\$14,928</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cemetery Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$30,100	\$32,391	\$2,291
Other	50	744	694
<i>Total Revenues</i>	<u>30,150</u>	<u>33,135</u>	<u>2,985</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	91,507	89,238	2,269
Contractual Services	18,445	17,712	733
Materials and Supplies	11,896	11,859	37
<i>Total Public Health and Welfare</i>	<u>121,848</u>	<u>118,809</u>	<u>3,039</u>
Capital Outlay	7,400	7,400	0
<i>Total Expenditures</i>	<u>129,248</u>	<u>126,209</u>	<u>3,039</u>
<i>Excess of Revenues Under Expenditures</i>	(99,098)	(93,074)	6,024
Other Financing Sources:			
Transfers-In	80,000	80,000	0
<i>Net Change in Fund Balance</i>	(19,098)	(13,074)	6,024
<i>Fund Balance at Beginning of Year</i>	25,414	25,414	0
<i>Prior Year Encumbrances Appropriated</i>	5,717	5,717	0
<i>Fund Balance at End of Year</i>	<u><u>\$12,033</u></u>	<u><u>\$18,057</u></u>	<u><u>\$6,024</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$20,000	\$11,433	(\$8,567)
Other	0	220	220
<i>Total Revenues</i>	<u>20,000</u>	<u>11,653</u>	<u>(8,347)</u>
Expenditures:			
Current:			
Community Development			
Neighborhood Stabilization Program			
Personal Services	1,981	698	1,283
Contractual Services	22,440	7,451	14,989
<i>Total Community Development</i>	<u>24,421</u>	<u>8,149</u>	<u>16,272</u>
Capital Outlay	<u>186,331</u>	<u>186,330</u>	<u>1</u>
<i>Total Expenditures</i>	<u>210,752</u>	<u>194,479</u>	<u>16,273</u>
<i>Excess of Revenues Under Expenditures</i>	(190,752)	(182,826)	7,926
Other Financing Sources:			
Proceeds from Sale of Capital Assets	<u>259,405</u>	<u>11,525</u>	<u>(247,880)</u>
<i>Net Change in Fund Balance</i>	68,653	(171,301)	(239,954)
<i>Fund Balance at Beginning of Year</i>	24,063	24,063	0
<i>Prior Year Encumbrances Appropriated</i>	<u>168,456</u>	<u>168,456</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$261,172</u></u>	<u><u>\$21,218</u></u>	<u><u>(\$239,954)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization II Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$192,576	\$0	(\$192,576)
Charges for Services	20,000	0	(20,000)
Other	0	248	248
<i>Total Revenues</i>	<u>212,576</u>	<u>248</u>	<u>(212,328)</u>
Expenditures:			
Current:			
Community Development Neighborhood Stabilization Program			
Personal Services	13,286	5,226	8,060
Contractual Services	51,842	49,293	2,549
Materials and Supplies	100,500	100,145	355
<i>Total Community Development</i>	<u>165,628</u>	<u>154,664</u>	<u>10,964</u>
Capital Outlay	42,615	42,166	449
<i>Total Expenditures</i>	<u>208,243</u>	<u>196,830</u>	<u>11,413</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	4,333	(196,582)	(200,915)
Other Financing Sources:			
Proceeds from Sale of Capital Assets	114,000	64,954	(49,046)
<i>Net Change in Fund Balance</i>	118,333	(131,628)	(249,961)
<i>Fund Balance at Beginning of Year</i>	24,430	24,430	0
<i>Prior Year Encumbrances Appropriated</i>	<u>183,779</u>	<u>183,779</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$326,542</u></u>	<u><u>\$76,581</u></u>	<u><u>(\$249,961)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Witness Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$797	\$797	\$0
Intergovernmental	57,538	57,605	67
Other	1,500	1,612	112
<i>Total Revenues</i>	<u>59,835</u>	<u>60,014</u>	<u>179</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	90,135	86,987	3,148
Contractual Services	3,704	3,704	0
Materials and Supplies	1,565	1,566	(1)
<i>Total Expenditures</i>	<u>95,404</u>	<u>92,257</u>	<u>3,147</u>
<i>Excess of Revenues Under Expenditures</i>	(35,569)	(32,243)	3,326
Other Financing Sources:			
Transfers-In	34,500	34,500	0
<i>Net Change in Fund Balance</i>	(1,069)	2,257	3,326
<i>Fund Balance at Beginning of Year</i>	2,263	2,263	0
<i>Prior Year Encumbrances Appropriated</i>	1,275	1,275	0
<i>Fund Balance at End of Year</i>	<u><u>\$2,469</u></u>	<u><u>\$5,795</u></u>	<u><u>\$3,326</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Home Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Community and Economic Development			
Neighborhood Betterment			
Personal Services	8,817	4,169	4,648
Contractual Services	75,150	74,150	1,000
<i>Total Expenditures</i>	83,967	78,319	5,648
<i>Excess of Revenues Under Expenditures</i>	(83,967)	(78,319)	5,648
Other Financing Sources:			
Advances-In	80,000	80,000	0
<i>Net Change in Fund Balance</i>	(3,967)	1,681	5,648
<i>Fund Balance at Beginning of Year</i>	10,151	10,151	0
<i>Fund Balance at End of Year</i>	\$6,184	\$11,832	\$5,648

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victims Assistance Justice Assistance Grant Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$25,600	\$21,762	(\$3,838)
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	34,336	34,328	8
<i>Excess of Revenues Under Expenditures</i>	(8,736)	(12,566)	(3,830)
Other Financing Sources:			
Transfers-In	10,000	10,000	0
<i>Net Change in Fund Balance</i>	1,264	(2,566)	(3,830)
<i>Fund Balance at Beginning of Year</i>	15,861	15,861	0
<i>Fund Balance at End of Year</i>	\$17,125	\$13,295	(\$3,830)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Law Enforcement Trust Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and Donations	\$2,000	\$5,384	\$3,384
Other	35,800	32,893	(2,907)
<i>Total Revenues</i>	<u>37,800</u>	<u>38,277</u>	<u>477</u>
Expenditures:			
Current:			
Public Safety			
Safety City			
Personal Services	2,120	1,868	252
Contractual Services	7,500	4,277	3,223
Materials and Supplies	14,625	13,442	1,183
<i>Total Public Safety</i>	<u>24,245</u>	<u>19,587</u>	<u>4,658</u>
Capital Outlay	35,000	16,589	18,411
<i>Total Expenditures</i>	<u>59,245</u>	<u>36,176</u>	<u>23,069</u>
<i>Net Change in Fund Balance</i>	(21,445)	2,101	23,546
<i>Fund Balance at Beginning of Year</i>	137,648	137,648	0
<i>Prior Year Encumbrances Appropriated</i>	8,139	8,139	0
<i>Fund Balance at End of Year</i>	<u><u>\$124,342</u></u>	<u><u>\$147,888</u></u>	<u><u>\$23,546</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Drug Law Enforcement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$1,800	\$2,255	\$455
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	1,000	0	1,000
Capital Outlay	3,000	1,798	1,202
<i>Total Expenditures</i>	4,000	1,798	2,202
<i>Net Change in Fund Balance</i>	(2,200)	457	2,657
<i>Fund Balance at Beginning of Year</i>	8,748	8,748	0
<i>Fund Balance at End of Year</i>	\$6,548	\$9,205	\$2,657

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$43,680	\$43,986	\$306
Intergovernmental	6,320	6,320	0
<i>Total Revenues</i>	<u>50,000</u>	<u>50,306</u>	<u>306</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	93,059	93,059	0
<i>Net Change in Fund Balance</i>	(43,059)	(42,753)	306
<i>Fund Balance at Beginning of Year</i>	329,637	329,637	0
<i>Prior Year Encumbrances Appropriated</i>	19,888	19,888	0
<i>Fund Balance at End of Year</i>	<u><u>\$306,466</u></u>	<u><u>\$306,772</u></u>	<u><u>\$306</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Alcohol Enforcement and Education Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,510	\$2,646	(\$864)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	1,100	1,100	0
<i>Net Change in Fund Balance</i>	2,410	1,546	(864)
<i>Fund Balance at Beginning of Year</i>	6,315	6,315	0
<i>Fund Balance at End of Year</i>	\$8,725	\$7,861	(\$864)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Forfeitures Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$5,000	\$438	(\$4,562)
Investment Earnings	500	1,282	782
Intergovernmental	2,000	3,504	1,504
<i>Total Revenues</i>	<u>7,500</u>	<u>5,224</u>	<u>(2,276)</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	4,000	0	4,000
Materials and Supplies	22,798	10,593	12,205
<i>Total Public Safety</i>	26,798	10,593	16,205
Capital Outlay	127,000	99,767	27,233
Debt Service:			
Principal Retirement	20,000	20,000	0
<i>Total Expenditures</i>	<u>173,798</u>	<u>130,360</u>	<u>43,438</u>
<i>Net Change in Fund Balance</i>	(166,298)	(125,136)	41,162
<i>Fund Balance at Beginning of Year</i>	264,483	264,483	0
<i>Prior Year Encumbrances Appropriated</i>	19,493	19,493	0
<i>Fund Balance at End of Year</i>	<u>\$117,678</u>	<u>\$158,840</u>	<u>\$41,162</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Municipal Probation Services Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$115,650	\$102,334	(\$13,316)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	95,007	76,507	18,500
Contractual Services	4,000	4,000	0
<i>Total Expenditures</i>	99,007	80,507	18,500
<i>Net Change in Fund Balance</i>	16,643	21,827	5,184
<i>Fund Balance at Beginning of Year</i>	17,037	17,037	0
<i>Prior Year Encumbrances Appropriated</i>	3,315	3,315	0
<i>Fund Balance at End of Year</i>	\$36,995	\$42,179	\$5,184

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Traffic Intervention Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$18,795	\$18,795	\$0
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	18,659	18,621	38
<i>Net Change in Fund Balance</i>	136	174	38
<i>Fund Balance at Beginning of Year</i>	184	184	0
<i>Prior Year Encumbrances Appropriated</i>	1	1	0
<i>Fund Balance at End of Year</i>	<u>\$321</u>	<u>\$359</u>	<u>\$38</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Legal Research/Computerization Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$16,849	\$17,522	\$673
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	11,000	6,800	4,200
Capital Outlay	17,644	9,644	8,000
<i>Total Expenditures</i>	28,644	16,444	12,200
<i>Net Change in Fund Balance</i>	(11,795)	1,078	12,873
<i>Fund Balance at Beginning of Year</i>	48,003	48,003	0
<i>Prior Year Encumbrances Appropriated</i>	27,748	27,748	0
<i>Fund Balance at End of Year</i>	\$63,956	\$76,829	\$12,873

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Clerk Computerization Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$114,798	\$127,362	\$12,564
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	32,580	31,408	1,172
Contractual Services	14,976	12,476	2,500
Materials and Supplies	2,500	1,500	1,000
<i>Total General Government</i>	50,056	45,384	4,672
Capital Outlay	108,340	75,339	33,001
<i>Total Expenditures</i>	158,396	120,723	37,673
<i>Net Change in Fund Balance</i>	(43,598)	6,639	50,237
<i>Fund Balance at Beginning of Year</i>	238,768	238,768	0
<i>Prior Year Encumbrances Appropriated</i>	56,412	56,412	0
<i>Fund Balance at End of Year</i>	\$251,582	\$301,819	\$50,237

City of Fairborn, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Non-GAAP Basis)
 Indigent Driver's Interlock and Alcohol Monitoring Fund
 For the Year Ended December 31, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$23,000	\$23,528	\$528
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	21,519	21,519	0
<i>Net Change in Fund Balance</i>	1,481	2,009	528
<i>Fund Balance at Beginning of Year</i>	95,513	95,513	0
<i>Prior Year Encumbrances Appropriated</i>	1,530	1,530	0
<i>Fund Balance at End of Year</i>	\$98,524	\$99,052	\$528

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Moving Ohio Forward Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$20,000	\$15,209	(\$4,791)
Intergovernmental	111,185	111,185	0
<i>Total Revenues</i>	<u>131,185</u>	<u>126,394</u>	<u>(4,791)</u>
Expenditures:			
Current:			
Community Development			
Personal Services	4,329	2,469	1,860
Contractual Services	166,538	165,081	1,457
<i>Total Expenditures</i>	<u>170,867</u>	<u>167,550</u>	<u>3,317</u>
<i>Excess of Revenues Under Expenditures</i>	(39,682)	(41,156)	(1,474)
Other Financing Uses:			
Advances-Out	(84,023)	(84,023)	0
<i>Net Change in Fund Balance</i>	(123,705)	(125,179)	(1,474)
<i>Fund Balance at Beginning of Year</i>	27,790	27,790	0
<i>Prior Year Encumbrances Appropriated</i>	<u>105,916</u>	<u>105,916</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$10,001</u>	<u>\$8,527</u>	<u>(\$1,474)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Uninsured Loss Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$60,000	\$45,998	(\$14,002)
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	80,221	73,221	7,000
Capital Outlay	28,737	28,737	0
<i>Total Expenditures</i>	108,958	101,958	7,000
<i>Net Change in Fund Balance</i>	(48,958)	(55,960)	(7,002)
<i>Fund Balance at Beginning of Year</i>	54,325	54,325	0
<i>Prior Year Encumbrances Appropriated</i>	38,426	38,426	0
<i>Fund Balance at End of Year</i>	\$43,793	\$36,791	(\$7,002)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Bond Retirement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$66,286	\$51,754	(\$14,532)
Special Assessments	237,600	300,126	62,526
<i>Total Revenues</i>	<u>303,886</u>	<u>351,880</u>	<u>47,994</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	28,730	18,292	10,438
Debt Service:			
Principal Retirement	241,000	241,000	0
Interest and Fiscal Charges	148,428	137,183	11,245
<i>Total Debt Service</i>	<u>389,428</u>	<u>378,183</u>	<u>11,245</u>
<i>Total Expenditures</i>	<u>418,158</u>	<u>396,475</u>	<u>21,683</u>
<i>Net Change in Fund Balance</i>	(114,272)	(44,595)	69,677
<i>Fund Balance at Beginning of Year</i>	<u>295,670</u>	<u>295,670</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$181,398</u></u>	<u><u>\$251,075</u></u>	<u><u>\$69,677</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Issue II Improvement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$359,091	\$359,091	\$0
Expenditures:			
Capital Outlay	359,091	359,091	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Special Projects Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$169,730	\$183,677	\$13,947
Expenditures:			
Current:			
General Government			
Skyway Plaza Improvement			
Personal Services	52,223	52,026	197
Contractual Services	23,908	22,409	1,499
Materials and Supplies	32,000	14,000	18,000
Total General Government	108,131	88,435	19,696
Capital Outlay	16,800	16,799	1
<i>Total Expenditures</i>	124,931	105,234	19,697
<i>Net Change in Fund Balance</i>	44,799	78,443	33,644
<i>Fund Balance at Beginning of Year</i>	40,361	40,361	0
<i>Prior Year Encumbrances Appropriated</i>	9	9	0
<i>Fund Balance at End of Year</i>	\$85,169	\$118,813	\$33,644

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Capital Improvement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$2,986	\$986
Special Assessments	46,561	47,202	641
<i>Total Revenues</i>	48,561	50,188	1,627
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	188,300	188,300	0
Materials and Supplies	40,451	40,450	1
<i>Total General Government</i>	228,751	228,750	1
Capital Outlay	84,517	79,006	5,511
Debt Service:			
Principal Retirement	100,000	100,000	0
Interest and Fiscal Charges	1,248	1,247	1
<i>Total Debt Service</i>	101,248	101,247	1
<i>Total Expenditures</i>	414,516	409,003	5,513
<i>Excess of Revenues Under Expenditures</i>	(365,955)	(358,815)	7,140
Other Financing Sources:			
Transfers-In	167,215	165,759	(1,456)
<i>Net Change in Fund Balance</i>	(198,740)	(193,056)	5,684
<i>Fund Balance at Beginning of Year</i>	514,509	514,509	0
<i>Prior Year Encumbrances Appropriated</i>	115,394	115,394	0
<i>Fund Balance at End of Year</i>	\$431,163	\$436,847	\$5,684

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks and Recreation Improvements Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$150,000	\$158,896	\$8,896
Charges for Services	17,276	18,477	1,201
Investment Earnings	1,000	1,642	642
Other	8,500	3,555	(4,945)
<i>Total Revenues</i>	<u>176,776</u>	<u>182,570</u>	<u>5,794</u>
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	10,000	0	10,000
Capital Outlay	<u>280,634</u>	<u>280,634</u>	<u>0</u>
<i>Total Expenditures</i>	<u>290,634</u>	<u>280,634</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(113,858)	(98,064)	15,794
<i>Fund Balance at Beginning of Year</i>	188,785	188,785	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,735</u>	<u>7,735</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$82,662</u></u>	<u><u>\$98,456</u></u>	<u><u>\$15,794</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Equipment/Facility
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,035,908	\$2,001,564	(\$34,344)
Charges for Services	15,269	21,888	6,619
Investment Earnings	4,000	4,414	414
Other	500	15,018	14,518
<i>Total Revenues</i>	<u>2,055,677</u>	<u>2,042,884</u>	<u>(12,793)</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Contractual Services	140,812	140,811	1
Materials and Supplies	152,923	152,862	61
<i>Total General Government</i>	<u>293,735</u>	<u>293,673</u>	<u>62</u>
Capital Outlay	232,652	226,570	6,082
Debt Service:			
Principal Retirement	1,245,000	1,245,000	0
Interest and Fiscal Charges	56,025	56,025	0
<i>Total Debt Service</i>	<u>1,301,025</u>	<u>1,301,025</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,827,412</u>	<u>1,821,268</u>	<u>6,144</u>
<i>Net Change in Fund Balance</i>	228,265	221,616	(6,649)
<i>Fund Balance at Beginning of Year</i>	4,421	4,421	0
<i>Prior Year Encumbrances Appropriated</i>	<u>63,635</u>	<u>63,635</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$296,321</u></u>	<u><u>\$289,672</u></u>	<u><u>(\$6,649)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Building and Land Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$1,000	\$1,000
Charges for Services	0	1,984	1,984
Other			
<i>Total Revenues</i>	<u>0</u>	<u>2,984</u>	<u>2,984</u>
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	59,134	52,055	7,079
Materials and Supplies	35,000	35,000	0
<i>Total General Government</i>	<u>94,134</u>	<u>87,055</u>	<u>7,079</u>
Capital Outlay	42,010	42,010	0
Debt Service:			
Principal Retirement	525,000	525,000	0
Interest and Fiscal Charges	20,935	20,934	1
<i>Total Debt Service</i>	<u>545,935</u>	<u>545,934</u>	<u>1</u>
<i>Total Expenditures</i>	<u>682,079</u>	<u>674,999</u>	<u>7,080</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(682,079)</u>	<u>(672,015)</u>	<u>10,064</u>
Other Financing Sources:			
Notes Issued	382,360	377,500	(4,860)
Transfers-In	250,872	248,689	(2,183)
Premium on Debt Issued	3,300	6,935	3,635
<i>Total Other Financing Sources</i>	<u>636,532</u>	<u>633,124</u>	<u>(3,408)</u>
<i>Net Change in Fund Balance</i>	(45,547)	(38,891)	6,656
<i>Fund Balance at Beginning of Year</i>	24,440	24,440	0
<i>Prior Year Encumbrances Appropriated</i>	41,821	41,821	0
<i>Fund Balance at End of Year</i>	<u>\$20,714</u>	<u>\$27,370</u>	<u>\$6,656</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Financing Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$140,000	\$165,464	\$25,464
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	1,500	1,381	119
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	34,688	34,688	0
<i>Total Debt Service</i>	119,688	119,688	0
<i>Total Expenditures</i>	121,188	121,069	119
<i>Net Change in Fund Balance</i>	18,812	44,395	25,583
<i>Fund Balance at Beginning of Year</i>	6,352	6,352	0
<i>Fund Balance at End of Year</i>	\$25,164	\$50,747	\$25,583

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Special Assessment Construction Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$143,000	\$110,109	(\$32,891)
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	20,000	20,000	0
Capital Outlay	21,069	21,069	0
Debt Service:			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	2,244	2,244	0
<i>Total Debt Service</i>	202,244	202,244	0
<i>Total Expenditures</i>	243,313	243,313	0
<i>Excess of Revenues Under Expenditures</i>	(100,313)	(133,204)	(32,891)
Other Financing Sources:			
Premium on Notes Issued	4,000	0	(4,000)
<i>Net Change in Fund Balance</i>	(96,313)	(133,204)	(36,891)
<i>Fund Balance at Beginning of Year</i>	184,836	184,836	0
<i>Prior Year Encumbrances Appropriated</i>	37,933	37,933	0
<i>Fund Balance at End of Year</i>	\$126,456	\$89,565	(\$36,891)

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Equipment Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,482,883	\$1,530,714	\$47,831
Other	500	650	150
<i>Total Revenues</i>	<u>1,483,383</u>	<u>1,531,364</u>	<u>47,981</u>
Expenditures:			
Personal Services	526,956	513,149	13,807
Contractual Services	58,963	53,632	5,331
Materials and Supplies	996,449	993,817	2,632
Capital Outlay	5,000	4,209	791
<i>Total Expenditures</i>	<u>1,587,368</u>	<u>1,564,807</u>	<u>22,561</u>
<i>Net Change in Fund Equity</i>	(103,985)	(33,443)	70,542
<i>Fund Equity at Beginning of Year</i>	85,040	85,040	0
<i>Prior Year Encumbrances Appropriated</i>	<u>91,331</u>	<u>91,331</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$72,386</u></u>	<u><u>\$142,928</u></u>	<u><u>\$70,542</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Information Technology Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$487,282	\$489,998	\$2,716
Other	150	526	376
<i>Total Revenues</i>	<u>487,432</u>	<u>490,524</u>	<u>3,092</u>
Expenditures:			
Personal Services	307,555	298,685	8,870
Contractual Services	150,209	149,689	520
Materials and Supplies	12,640	12,382	258
Capital Outlay	52,019	52,019	0
<i>Total Expenditures</i>	<u>522,423</u>	<u>512,775</u>	<u>9,648</u>
<i>Net Change in Fund Equity</i>	(34,991)	(22,251)	12,740
<i>Fund Equity at Beginning of Year</i>	82,205	82,205	0
<i>Prior Year Encumbrances Appropriated</i>	43,176	43,176	0
<i>Fund Equity at End of Year</i>	<u><u>\$90,390</u></u>	<u><u>\$103,130</u></u>	<u><u>\$12,740</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Employee Assistance Program Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$500	\$1,004	(\$504)
Other	5,000	0	(5,000)
<i>Total Revenues</i>	<u>5,500</u>	<u>1,004</u>	<u>(4,496)</u>
Expenditures:			
Personal Services	5,000	0	5,000
Contractual Services	5,000	4,251	749
<i>Total Expenditures</i>	<u>10,000</u>	<u>4,251</u>	<u>5,749</u>
<i>Net Change in Fund Equity</i>	(4,500)	(3,247)	(1,253)
<i>Fund Equity at Beginning of Year</i>	<u>154,726</u>	<u>154,726</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$150,226</u></u>	<u><u>\$151,479</u></u>	<u><u>(\$1,253)</u></u>

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STATISTICAL TABLES

This part of the City of Fairborn’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	152-161
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	162-171
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	172-179
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	180-183
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	184-187
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Fairborn
Net Position by Component
Last Ten Years
(accrual basis of accounting)
Schedule 1

	2005	2006	2007	2008
Governmental Activities				
Net Investment in Capital Assets	\$53,703,616	\$52,488,251	\$54,537,585	\$56,578,526
Restricted	5,536,261	9,740,033	6,871,704	9,231,712
Unrestricted	7,725,904	5,223,383	9,007,506	7,221,856
<i>Total Governmental Activities Net Position</i>	<u>\$66,965,781</u>	<u>\$67,451,667</u>	<u>\$70,416,795</u>	<u>\$73,032,094</u>
Business-Type Activities				
Net Investment in Capital Assets	\$9,458,159	\$10,090,771	\$9,928,349	\$11,700,861
Unrestricted	7,517,353	6,670,119	7,169,040	6,733,325
<i>Total Business-Type Activities Net Position</i>	<u>\$16,975,512</u>	<u>\$16,760,890</u>	<u>\$17,097,389</u>	<u>\$18,434,186</u>
Total Primary Government				
Net Investment in Capital Assets	\$63,161,775	\$62,579,022	\$64,465,934	\$68,279,387
Restricted	5,536,261	9,740,033	6,871,704	9,231,712
Unrestricted	15,243,257	11,893,502	16,176,546	13,955,181
<i>Total Primary Government Net Position</i>	<u>\$83,941,293</u>	<u>\$84,212,557</u>	<u>\$87,514,184</u>	<u>\$91,466,280</u>

2009	2010	2011	2012	2013	2014
\$57,492,409	\$58,223,118	\$59,259,234	\$59,885,657	\$60,422,126	\$61,971,834
11,579,836	10,917,852	13,249,832	13,272,202	12,832,977	9,206,263
5,834,667	6,468,379	7,587,718	11,621,608	13,227,049	14,298,722
<u>\$74,906,912</u>	<u>\$75,609,349</u>	<u>\$80,096,784</u>	<u>\$84,779,467</u>	<u>\$86,482,152</u>	<u>\$85,476,819</u>
\$12,903,901	\$12,913,413	\$12,778,599	\$12,182,697	\$10,370,449	\$10,132,357
6,413,278	7,461,531	9,037,992	10,509,882	13,781,547	15,492,317
<u>\$19,317,179</u>	<u>\$20,374,944</u>	<u>\$21,816,591</u>	<u>\$22,692,579</u>	<u>\$24,151,996</u>	<u>\$25,624,674</u>
\$70,396,310	\$71,136,531	\$72,037,833	\$72,068,354	\$70,792,575	\$72,104,191
11,579,836	10,917,852	13,249,832	13,272,202	12,832,977	9,206,263
12,247,945	13,929,910	16,625,710	22,131,490	27,008,596	29,791,039
<u>\$94,224,091</u>	<u>\$95,984,293</u>	<u>\$101,913,375</u>	<u>\$107,472,046</u>	<u>\$110,634,148</u>	<u>\$111,101,493</u>

City of Fairborn
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
Schedule 2

	2005	2006	2007	2008
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$4,113,140	\$4,804,288	\$4,255,380	\$4,468,225
Public Safety	1,313,898	1,498,951	1,637,736	1,643,651
Leisure Time Activities	60,430	65,446	64,074	15,800
Community Development	292,286	254,979	279,014	0
Transportation and Street Repair	0	0	897	0
Public Health and Welfare	34,073	32,022	29,696	27,171
Operating Grants, Contributions and Interest	2,274,918	2,504,549	2,910,842	2,852,492
Capital Grants, Contributions and Interest	528,654	2,186,866	672,689	1,867,845
Total Governmental Activities Program Revenues	8,617,399	11,347,101	9,850,328	10,875,184
Business-Type Activities:				
Charges for Services:				
Water	2,805,354	2,759,818	2,975,569	3,410,484
Sewer	4,594,321	4,840,354	4,944,647	5,466,151
Sanitation	2,010,264	2,144,265	2,246,696	2,396,874
Operating Grants, Contributions and Interest:				
Water	0	0	0	5,813
Sewer	0	0	0	3,170
Capital Grants, Contributions and Interest:				
Water	0	0	0	0
Sewer	0	0	0	0
Total Business-Type Activities Program Revenues	9,409,939	9,744,437	10,166,912	11,282,492
Total Primary Government Program Revenues	18,027,338	21,091,538	20,017,240	22,157,676
Expenses:				
Governmental Activities:				
General Government	9,772,999	10,850,767	9,425,790	8,784,812
Public Safety	11,379,893	13,282,937	12,753,371	13,011,273
Leisure Time Activities	257,014	486,746	300,073	301,791
Community Development	1,080,955	1,147,616	1,042,518	932,039
Transportation and Street Repair	1,187,932	1,214,199	1,391,534	1,461,350
Public Health and Welfare	172,154	109,854	103,575	79,371
Interest and Fiscal Charges	663,995	598,655	726,456	577,333
Intergovernmental	0	0	0	195,085
Total Governmental Activities Expenses	24,514,942	27,690,774	25,743,317	25,343,054
Business-Type Activities:				
Water	3,204,297	3,038,417	3,289,099	3,274,444
Sewer	4,535,248	5,155,747	4,514,767	4,717,417
Sanitation	2,027,626	2,054,612	2,523,416	2,109,350
Total Business-Type Activities Expenses	9,767,171	10,248,776	10,327,282	10,101,211
Total Primary Government Expenses	\$34,282,113	\$37,939,550	\$36,070,599	\$35,444,265

2009	2010	2011	2012	2013	2014
\$4,735,434	\$4,546,522	\$5,006,470	\$5,321,951	\$4,797,028	\$4,894,322
1,570,569	2,243,439	1,580,842	2,242,606	2,277,370	2,056,636
15,431	17,755	20,555	20,668	19,345	18,477
0	0	0	0	0	26,642
0	0	0	16,031	22,314	26,954
46,576	31,559	40,585	41,825	41,267	32,391
3,312,494	2,601,148	3,119,605	3,313,243	3,001,991	3,306,043
2,049,859	1,154,072	3,224,212	1,178,734	857,836	935,184
11,730,363	10,594,495	12,992,269	12,135,058	11,017,151	11,296,649
3,535,657	3,737,937	3,957,558	4,199,695	4,168,835	4,304,620
5,571,836	5,754,670	5,936,952	6,505,548	6,640,578	6,687,253
2,482,526	2,525,807	2,502,118	2,542,620	2,636,893	2,763,166
2,657	0	0	0	0	0
1,800	51,742	0	0	0	0
37,460	27,700	43,300	65,235	0	36,480
44,330	39,540	46,865	56,005	0	25,547
11,676,266	12,137,396	12,486,793	13,369,103	13,446,306	13,817,066
23,406,629	22,731,891	25,479,062	25,504,161	24,463,457	25,113,715
9,093,180	10,210,347	9,358,187	8,905,813	10,125,094	9,957,291
13,664,046	13,166,582	13,148,808	12,978,270	13,969,809	14,285,206
389,573	509,311	353,854	332,663	452,199	404,947
1,030,438	1,096,602	1,107,951	1,374,945	1,156,363	4,681,346
2,044,120	1,829,298	1,858,735	3,421,331	2,617,619	3,328,628
91,313	91,846	96,966	96,413	103,185	116,391
523,675	459,319	216,742	346,865	270,515	214,784
207,546	222,316	361,216	223,589	0	0
27,043,891	27,585,621	26,502,459	27,679,889	28,694,784	32,988,593
3,421,387	3,456,025	3,211,043	3,450,401	4,038,081	4,468,043
4,339,587	5,382,287	5,334,436	6,635,220	5,578,285	5,484,171
2,702,870	2,328,675	2,550,934	2,449,113	2,721,970	2,572,478
10,463,844	11,166,987	11,096,413	12,534,734	12,338,336	12,524,692
\$37,507,735	\$38,752,608	\$37,598,872	\$40,214,623	\$41,033,120	\$45,513,285

(continued)

City of Fairborn
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
Schedule 2
(Continued)

	2005	2006	2007	2008
Net (Expense)/Revenue				
Governmental Activities	(\$15,897,543)	(\$16,343,673)	(\$15,892,989)	(\$14,467,870)
Business-Type Activities	(357,232)	(504,339)	(160,370)	1,181,281
Total Primary Government Net Expenses	(16,254,775)	(16,848,012)	(16,053,359)	(13,286,589)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for: (1)				
General Purposes	2,900,527	2,458,468	2,174,289	1,751,432
Fire and EMS	0	0	0	373,158
Police	0	0	0	0
Debt Service	157,749	160,196	146,175	133,767
Street Lighting	0	0	0	142,205
Special Revenue	192,806	2,303,320	564,276	0
Capital Projects	89,878	80,359	159,966	0
Other Local Taxes	0	0	0	840,651
Municipal Income Taxes (2)	9,478,816	8,985,856	11,791,441	0
Municipal Income Taxes Levied For:				
General Purposes	0	0	0	8,488,898
Street Programs	0	0	0	2,060,948
Capital Outlay	0	0	0	2,030,024
Revenue in Lieu of Taxes	0	0	0	294,409
Grants and Entitlements not				
Restricted to Specific Programs	1,917,607	1,432,939	2,357,094	2,072,364
Unrestricted Contributions	0	60,711	0	0
Investment Earnings	712,500	895,623	1,048,527	958,903
Refunds and Reimbursements	0	219,905	0	0
Other	860,658	240,363	227,875	410,769
Transfers-Internal Activities	(11,614)	(8,181)	(11,212)	0
Total Governmental Activities	16,298,927	16,829,559	18,458,431	19,557,528
Business-Type Activities:				
Investment Earnings	0	184,557	259,186	113,524
Other	0	96,979	76,471	41,992
Transfers-Internal Activities	11,614	8,181	11,212	0
Total Business-Type Activities	11,614	289,717	346,869	155,516
Total Primary Government	16,310,541	17,119,276	18,805,300	19,713,044
Prior Year Restatement of Governmental Activities Net Position	0	0	399,686	0
Prior Year Restatement of Business-Type Activities Net Position	0	0	150,000	0
Change in Net Position:				
Governmental Activities	401,384	485,886	2,965,128	5,089,658
Business-Type Activities	(345,618)	(214,622)	336,499	1,336,797
Total Primary Government	\$55,766	\$271,264	\$3,301,627	\$6,426,455

(1) During 2008, the City changed the categories of property taxes

(2) Prior to 2008, the City did not separate municipal income taxes by category

2009	2010	2011	2012	2013	2014
(\$15,313,528)	(\$16,991,126)	(\$13,510,190)	(\$15,544,831)	(\$17,677,633)	(\$21,691,944)
1,212,422	970,409	1,390,380	834,369	1,107,970	1,292,374
(14,101,106)	(16,020,717)	(12,119,810)	(14,710,462)	(16,569,663)	(20,399,570)
1,604,334	1,645,992	1,551,379	822,926	834,730	847,262
373,388	380,949	545,417	2,189,418	2,210,684	2,240,812
148,183	152,106	340,974	2,189,418	2,210,683	2,240,812
149,933	149,388	114,364	0	0	0
134,505	139,667	124,253	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
738,667	712,099	810,109	841,187	823,386	828,945
0	0	0	0	0	0
7,384,148	7,739,285	7,759,131	8,125,170	7,733,646	8,080,790
1,853,273	1,931,190	1,946,526	2,030,750	1,934,815	2,018,698
1,848,135	1,931,190	1,946,525	2,030,749	1,934,815	2,018,698
310,823	339,114	332,269	379,278	362,657	419,134
2,148,568	2,158,308	1,890,415	1,076,446	1,271,868	968,659
0	0	0	0	0	0
125,503	16,369	135,217	63,005	(53,893)	442,641
0	0	0	0	0	0
368,886	397,906	501,046	479,167	418,299	580,160
0	0	0	0	(301,372)	0
17,188,346	17,693,563	17,997,625	20,227,514	19,380,318	20,686,611
126,621	57,526	25,838	23,729	13,118	30,708
31,975	29,830	25,429	17,890	36,957	149,596
0	0	0	0	301,372	0
158,596	87,356	51,267	41,619	351,447	180,304
17,346,942	17,780,919	18,048,892	20,269,133	19,731,765	20,866,915
0	0	0	0	0	0
(488,025)	0	0	0	0	0
1,874,818	702,437	4,487,435	4,682,683	1,702,685	(1,005,333)
882,993	1,057,765	1,441,647	875,988	1,459,417	1,472,678
\$2,757,811	\$1,760,202	\$5,929,082	\$5,558,671	\$3,162,102	\$467,345

City of Fairborn
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)
Schedule 3

	2005	2006	2007	2008
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	168,628	245,018	134,360	202,949
Unreserved	4,641,173	5,202,888	5,577,044	4,496,405
Total General Fund	4,809,801	5,447,906	5,711,404	4,699,354
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	2,188,633	1,916,625	747,853	650,135
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	1,026,335	2,500,629	2,342,636	2,678,806
Debt Service Fund	0	380,838	369,454	346,215
Capital Projects Funds	7,144,789	(1,980,179)	(899,905)	(541,650)
Total all Other Governmental Funds	10,359,757	2,817,913	2,560,038	3,133,506
All Governmental Funds	\$15,169,558	\$8,265,819	\$8,271,442	\$7,832,860

(1) The City implemented GASB 54 in 2011.

2009	2010 (1)	2011	2012	2013	2014
\$0	\$28,888	\$46,497	\$54,586	\$25,166	\$23,665
0	213,705	171,849	262,679	608,978	755,130
0	3,371,738	3,410,686	7,894,685	9,382,356	10,042,544
243,901	0	0	0	0	0
3,522,534	0	0	0	0	0
<u>3,766,435</u>	<u>3,614,331</u>	<u>3,629,032</u>	<u>8,211,950</u>	<u>10,016,500</u>	<u>10,821,339</u>
0	1,284,429	3,412,502	3,329,972	69,678	200,574
0	6,575,123	7,071,041	7,360,699	7,176,384	6,062,520
0	374,831	491,291	561,203	254,549	309,296
0	474,042	593,902	495,287	586,058	625,356
0	(2,553,880)	(3,123,216)	(730,233)	(309,636)	(122,498)
2,017,230	0	0	0	0	0
3,274,776	0	0	0	0	0
325,721	0	0	0	0	0
(334,303)	0	0	0	0	0
<u>5,283,424</u>	<u>6,154,545</u>	<u>8,445,520</u>	<u>11,016,928</u>	<u>7,777,033</u>	<u>7,075,248</u>
<u>\$9,049,859</u>	<u>\$9,768,876</u>	<u>\$12,074,552</u>	<u>\$19,228,878</u>	<u>\$17,793,533</u>	<u>\$17,896,587</u>

City of Fairborn
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)
Schedule 4

	2005	2006	2007	2008
Revenues:				
Property Taxes	\$0	\$0	\$0	\$2,389,176
Other Local Taxes	0	0	0	840,651
Municipal Income Taxes	0	0	0	10,194,655
Revenue in Lieu of Taxes	0	0	0	294,409
Taxes (1)	12,748,456	14,340,781	14,175,271	0
Fines, Licenses and Permits	1,673,142	1,835,529	1,946,954	2,404,118
Charges for Services	4,140,685	4,257,434	3,943,296	3,368,842
Investment Earnings	695,348	895,623	1,049,461	1,000,056
Intergovernmental	4,964,424	5,164,926	5,196,126	6,287,601
Special Assessments	496,664	543,391	477,094	317,084
Contributions and Donations	0	0	0	0
Other	811,522	521,639	289,418	410,769
Total Revenues	25,530,241	27,559,323	27,077,620	27,507,361
Expenditures:				
Current:				
General Government	6,735,946	6,477,723	6,066,276	6,780,642
Public Safety	10,912,325	12,564,172	12,254,446	12,519,358
Leisure Time Activities	195,785	410,110	211,967	206,165
Community Development	1,033,507	1,059,955	1,004,676	915,623
Transportation and Street Repair	1,056,935	1,018,784	1,328,606	1,123,628
Public Health and Welfare	170,082	89,967	104,930	79,775
Capital Outlay	5,632,627	11,390,490	4,252,263	4,545,832
Intergovernmental	0	0	0	195,085
Debt Service:				
Principal Retirement	1,176,700	1,387,422	1,562,422	1,540,702
Interest and Fiscal Charges	667,870	626,558	755,436	625,846
Issuance Costs	0	0	0	0
Total Expenditures	27,581,777	35,025,181	27,541,022	28,532,656
Excess of Revenues				
Over (Under) Expenditures	(2,051,536)	(7,465,858)	(463,402)	(1,025,295)
Other Financing Sources (Uses):				
Premium on Debt Issued	281,454	0	0	0
Note Proceeds	0	0	0	0
Proceeds from the Sale of Capital Assets	18,710	65,300	15,237	0
Issuance of Long-Term Capital-Related Debt	10,000,000	505,000	465,000	0
Special Assessments Bond Issued	0	0	0	280,000
General Obligation Bonds Issued	0	0	0	0
Refunding Notes Issued	0	0	0	135,000
Inception of Capital Lease	42,119	0	0	171,713
Transfers-In	3,057,305	4,077,630	4,127,372	4,839,170
Transfers-Out	(3,068,919)	(4,085,811)	(4,138,584)	(4,839,170)
Total Other Financing Sources (Uses)	10,330,669	562,119	469,025	586,713
Prior Year Restatement of Restricted Fund Balance	0	0	0	0
Net Change in Fund Balances	\$8,279,133	(\$6,903,739)	\$5,623	(\$438,582)
Debt Service as a Percentage				
of Noncapital Expenditures	5.9%	6.6%	5.8%	9.2%

(1) Prior to 2008, the City did not separate Property, Revenue in Lieu of Taxes, Other local, and Municipal Income Taxes

2009	2010	2011	2012	2013	2014
\$2,425,711	\$2,458,646	\$2,415,919	\$5,235,512	\$5,404,927	\$5,270,213
738,667	712,099	810,109	841,187	823,386	828,945
11,185,796	11,442,949	11,574,407	11,994,955	11,691,107	11,911,179
310,823	339,114	332,269	379,278	362,657	419,134
0	0	0	0	0	0
2,002,352	1,817,598	1,638,566	1,639,486	1,679,445	1,809,801
4,151,360	4,868,341	5,048,274	5,778,812	5,342,261	5,370,812
233,256	165,647	168,589	101,427	(48,747)	488,097
6,028,951	5,914,059	6,236,284	6,535,383	4,942,122	4,722,891
302,578	414,979	416,412	363,052	321,577	295,972
542,430	0	46,558	9,276	1,427	5,384
368,886	397,906	501,046	498,594	418,299	580,160
28,290,810	28,531,338	29,188,433	33,376,962	30,938,461	31,702,588
6,826,870	7,517,523	7,025,927	6,410,454	7,359,127	7,121,226
12,902,125	12,772,786	12,379,650	12,282,513	13,351,123	13,496,787
280,300	391,574	201,592	169,189	281,564	229,166
1,010,774	1,080,457	1,087,343	1,349,975	1,133,762	1,655,251
1,654,970	1,460,195	1,763,864	3,309,867	2,607,811	3,258,464
88,814	90,865	95,111	94,743	102,948	115,122
2,387,313	2,505,157	1,699,918	2,014,611	2,896,232	3,399,872
207,546	222,316	216,742	223,589	215,666	253,670
1,706,369	2,040,492	2,478,903	1,755,570	3,328,691	2,136,024
546,730	485,687	384,476	363,988	321,975	255,058
0	852	11,510	0	0	0
27,611,811	28,567,904	27,345,036	27,974,499	31,598,899	31,920,640
678,999	(36,566)	1,843,397	5,402,463	(660,438)	(218,052)
0	583	0	16,193	47,589	6,935
0	0	0	0	517,500	310,000
0	0	22,279	4,484	25,921	4,171
0	0	0	0	0	0
135,000	0	320,000	120,000	0	0
0	45,000	0	0	1,630,000	0
403,000	710,000	120,000	1,611,186	0	0
0	0	0	0	0	0
10,563,476	10,226,724	9,644,754	4,870,028	5,878,722	6,654,118
(10,563,476)	(10,226,724)	(9,644,754)	(4,870,028)	(5,878,722)	(6,654,118)
538,000	755,583	462,279	1,751,863	2,221,010	321,106
0	0	0	0	(2,995,917)	0
\$1,216,999	\$719,017	\$2,305,676	\$7,154,326	(\$1,435,345)	\$103,054
9.0%	9.7%	11.2%	8.2%	12.6%	8.4%

City of Fairborn, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years
Schedule 5

Collection Year	Real Property		Tangible Personal Property			
	Assessed Value	Estimated Actual Value	Public Utility		General Business	
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$465,630,690	\$1,330,373,400	\$14,726,390	\$16,734,534	\$28,562,585	\$114,250,340
2006	502,077,420	1,434,506,914	13,420,850	15,250,966	27,961,223	149,126,523
2007	506,398,990	1,446,854,257	12,989,310	14,760,580	19,626,089	157,008,712
2008	513,328,920	1,466,654,057	11,790,182	13,397,934	15,057,095	24,091,352
2009	552,208,370	1,577,738,200	10,790,570	12,262,011	7,381,048	11,809,677
2010	552,367,880	1,578,193,943	10,647,220	12,099,114	1,138,450	1,821,520
2011	555,015,130	1,585,757,514	11,124,480	12,641,455	552,420	883,872
2012	513,212,360	1,466,321,029	11,439,860	12,999,841	0	0
2013	516,359,800	1,475,313,714	14,040,100	15,954,659	0	0
2014	497,344,590	1,420,984,543	14,054,270	15,970,761	0	0

Source: Greene County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent rollback, 2 1/2 percent rollback, and homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Assessed Value	Total Estimated Actual Value	Ratio	Weighted Average Tax Rate (per \$1,000 of assessed value)
\$508,919,665	\$1,461,358,274	34.83	9.27
543,459,493	1,598,884,403	33.99	8.95
539,014,389	1,618,623,549	33.30	8.89
540,176,197	1,504,143,343	35.91	8.85
570,379,988	1,601,809,888	35.61	8.78
564,153,550	1,592,114,576	35.43	8.80
566,692,030	1,599,282,841	35.43	8.80
524,652,220	1,479,320,869	35.47	8.80
530,399,900	1,491,268,373	35.57	8.80
511,398,860	1,436,955,304	35.59	8.80

City of Fairborn, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years
Schedule 6

	2005	2006	2007	2008
Unvoted Millage				
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy				
1976 Current Expense				
Residential/Agricultural Real	1.2619	1.2566	1.2535	1.1784
Commercial/Industrial and Public Utility Real	1.8990	1.9108	1.9210	1.7922
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000
1976 Street Light				
Residential/Agricultural Real	0.2366	0.2356	0.2350	0.2209
Commercial/Industrial and Public Utility Real	0.3561	0.3583	0.3602	0.3360
General Business and Public Utility Personal	0.9000	0.9000	0.9000	0.9000
1976 Bond Levy (\$930,000)				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1982 Emergency Medical Service				
Residential/Agricultural Real	0.4196	0.4179	0.4169	0.3919
Commercial/Industrial and Public Utility Real	0.5540	0.5575	0.5604	0.5229
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1990 Bond Levy (\$1,750,000)				
Residential/Agricultural Real	0.3000	0.3000	0.2800	0.3000
Commercial/Industrial and Public Utility Real	0.3000	0.3000	0.2800	0.3000
General Business and Public Utility Personal	0.3000	0.3000	0.2800	0.3000
2011 Police				
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
2011 Fire & EMS				
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	2.21810	2.21010	2.18540	2.09120
Commercial/Industrial and Public Utility Real	3.10910	3.12660	3.12160	2.95110
General Business and Public Utility Personal	7.00000	7.00000	6.98000	7.00000
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	4.71810	4.71010	4.68540	4.59120
Commercial/Industrial and Public Utility Real	5.60910	5.62660	5.62160	5.45110
General Business and Public Utility Personal	9.50000	9.50000	9.48000	9.50000
<i>Weighted Average</i>	9.27000	8.95000	8.89000	8.85000

2009	2010	2011	2012	2013	2014
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$1.40000	\$1.90000
1.1787	1.1799	0.0000	0.0000	0.0000	0.0000
1.8323	1.8505	0.0000	0.0000	0.0000	0.0000
4.8000	4.8000	0.0000	0.0000	0.0000	0.0000
0.2210	0.2212	0.0000	0.0000	0.0000	0.0000
0.3436	0.3470	0.0000	0.0000	0.0000	0.0000
0.9000	0.9000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3920	0.3924	0.0000	0.0000	0.0000	0.0000
0.5345	0.5398	0.0000	0.0000	0.0000	0.0000
1.0000	1.0000	0.0000	0.0000	0.0000	0.0000
0.3000	0.2500	0.0000	0.0000	0.0000	0.0000
0.3000	0.2500	0.0000	0.0000	0.0000	0.0000
0.3000	0.2500	0.0000	0.0000	0.0000	0.0000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
0.00000	0.00000	4.40000	4.40000	4.40000	4.70000
2.09170	2.04350	8.80000	8.80000	8.8	9.40000
3.01040	2.98730	8.80000	8.80000	8.80000	9.40000
7.00000	6.95000	8.80000	8.80000	8.80000	9.40000
4.59170	4.54350	11.30000	11.30000	10.20000	11.30000
5.51040	5.48730	11.30000	11.30000	10.20000	11.30000
9.50000	9.45000	11.30000	11.30000	10.20000	11.30000
8.78000	8.80000	8.80000	8.80000	8.80000	8.80000

(continued)

City of Fairborn, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years
Schedule 6
(Continued)

Overlapping Rates by Taxing District

	2005	2006	2007	2008
Fairborn City School District				
Residential/Agricultural Real	\$22.4000	\$22.4001	\$30.7001	\$30.1000
Commercial/Industrial and Public Utility Real	23.8984	24.0142	32.4080	31.0102
General Business and Public Utility Personal	44.2000	44.2000	52.5000	51.9000
Greene County Joint Vocational School District				
Residential/Agricultural Real	2.5752	2.5720	2.5692	2.5269
Commercial/Industrial and Public Utility Real	2.6528	2.6661	2.6501	2.6030
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500
General Health District				
Residential/Agricultural Real	0.4079	0.4971	0.4948	0.4570
Commercial/Industrial and Public Utility Real	0.4455	0.5000	0.4954	0.4598
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
Greene County				
Residential/Agricultural Real	10.8837	10.6950	10.6547	10.0302
Commercial/Industrial and Public Utility Real	11.3795	11.1652	11.0849	10.4644
General Business and Public Utility Personal	12.3000	11.5500	11.5500	11.5500

Source: Greene County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year of each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City.

2009	2010	2011	2012	2013	2014
\$30.0066	\$30.1277	\$32.2323	\$32.0765	\$32.1015	\$33.1700
31.2887	31.4438	33.0970	33.1848	33.5243	34.0200
51.8000	51.9000	52.6500	52.5000	52.5000	52.6500
2.5285	2.5316	2.6460	2.6473	2.6494	2.6600
2.6776	2.6963	2.8188	2.8285	2.8550	2.8700
3.4500	3.4500	3.4500	3.4500	3.4500	3.4500
0.4573	0.4578	0.8000	0.8000	0.8000	0.8000
0.4731	0.4763	0.8000	0.8000	0.8000	0.8000
0.5000	0.5000	0.8000	0.8000	0.8000	0.8000
10.9944	11.5834	11.2744	11.2772	11.2842	11.6900
11.5388	11.5388	11.8825	11.9065	11.9692	12.4100
12.2500	12.2500	12.2500	12.2500	12.2500	12.6500

City of Fairborn, Ohio
Principal Property Tax Payers
 2014 and 2005
 Schedule 7

Taxpayer	2014	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$10,953,260	2.14%
Charter Woods LLC	6,246,030	1.22%
Mapleview Apartments LLC	4,236,570	0.83%
2377 Commerce Center Blvd. LLC	3,618,600	0.71%
Natdayton LLC	3,124,750	0.61%
Brinley Place LLC	2,879,860	0.56%
Trebein Limited	2,704,960	0.53%
Highlands Apartments Phase I	2,634,980	0.52%
Vectren Energy	2,480,260	0.48%
Shoppes at VG LTD	2,442,190	0.48%
Total Principal Property Tax Payers	41,321,460	8.08%
Total All Others	470,077,400	91.92%
Total Assessed Value	\$511,398,860	100.00%

Taxpayer	2005	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$10,686,640	2.10%
Charter Woods LLC	6,280,800	1.23%
Mapleview Apartments LLC	4,058,050	0.80%
2377 Commerce Center Blvd. LLC	3,617,500	0.71%
PH Fairborn Hotel Owner	3,241,180	0.64%
Natdayton LLC	3,137,760	0.62%
Highland Apartments	2,831,020	0.56%
Trebein Limited	2,655,000	0.52%
Wright Patt Credit	2,493,850	0.49%
Shoppes at VG LTD	2,449,840	0.48%
Total Principal Property Tax Payers	41,451,640	8.15%
Total All Others	467,468,025	91.85%
Total Assessed Value	\$508,919,665	100.00%

Source: County Auditor

City of Fairborn, Ohio
Property Tax Levies and Collections
Last Ten Years
Schedule 8

Collection Year	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2) (3)	Total Tax Collections	Percent of Total Collections To Total Levy
2005	\$2,577,182	\$2,390,628	92.76%	\$0	\$2,390,628	92.76%
2006	2,681,552	2,589,155	96.55%	0	2,589,155	96.55%
2007	2,964,283	2,628,788	88.68%	0	2,628,788	88.68%
2008	2,868,759	2,554,887	89.06%	86,433	2,641,320	92.07%
2009	2,884,618	2,332,773	80.87%	93,338	2,426,111	84.11%
2010	2,942,140	2,525,043	85.82%	195,165	2,720,208	92.46%
2011	2,949,959	2,304,014	78.10%	111,913	2,415,927	81.90%
2012	6,362,712	4,965,327	78.04%	269,885	5,235,212	82.28%
2013	6,385,371	5,096,524	89.57%	308,403	5,404,927	94.40%
2014	6,089,098	6,042,643	99.24%	230,464	6,273,107	103.02%

Source: County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The County does not identify delinquent collections by the year for which the tax was levied.
- (3) Prior to 2008 the County Auditor did not split tax collections between current and delinquent.



City of Fairborn, Ohio
Income Tax by Payer Type and Income Tax Rate
Last Ten Years
(cash basis of accounting)
Schedule 9

Calendar Year	Individual		Total Individual	Corporate (1)	Partnership (2)	Total	Income Tax Rate
	Withholding	Non-Withholding					
2005	\$7,764,991	\$1,005,942	\$8,770,933	\$469,672	\$0	\$9,240,605	1.50%
2006	8,339,271	1,355,634	9,694,905	796,801	0	10,491,706	1.50%
2007	8,850,224	1,278,895	10,129,119	747,105	0	10,876,224	1.50%
2008	8,597,465	1,438,186	10,035,651	799,493	0	10,835,144	1.50%
2009	9,097,190	1,344,367	10,441,557	493,240	0	10,934,797	1.50%
2010	9,052,186	1,465,601	10,517,787	527,885	0	11,045,672	1.50%
2011	9,090,819	1,503,761	10,594,580	788,138	0	11,382,718	1.50%
2012	9,382,995	1,416,132	10,799,127	875,154	0	11,674,281	1.50%
2013	9,005,623	1,383,442	10,389,065	993,264	0	11,382,329	1.50%
2014	9,499,010	1,424,521	10,923,531	876,994	0	11,800,525	1.50%

(1) Corporate includes Partnerships, unable to break out the information.

(2) Information not available.

Note: These amounts are reported at net and take into account tax refunds.
Increases in the income tax rate requires voter approval.

City of Fairborn, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years
Schedule 10

Calendar Year	Governmental Activities						
	General Obligation Bonds	Special Assessment Bonds	General Obligation Notes (1)	Special Assessment Notes	Income Tax Revenue Bonds	Tax Increment Financing Revenue Bonds	Capital Leases
2005	\$1,700,000	\$1,390,000	\$2,110,000	\$59,811	\$9,350,000	\$0	\$852,285
2006	1,400,000	1,760,000	4,750,000	36,111	8,470,000	0	720,737
2007	1,080,000	2,000,000	2,470,000	12,412	7,570,000	0	627,014
2008	890,000	1,960,000	2,365,000	260,000	6,650,000	0	804,147
2009	695,000	1,789,000	3,292,762	501,000	5,830,729	0	669,186
2010	570,583	1,437,000	1,993,163	710,000	4,802,583	0	527,264
2011	390,466	1,394,000	2,009,159	120,000	3,669,437	0	395,237
2012	350,350	1,190,000	1,553,293	68,686	2,496,291	0	262,874
2013	310,233	1,007,055	448,650	0	1,273,146	1,574,268	124,369
2014	200,117	785,943	311,734	0	0	1,486,714	90,631

N/A - Information not available.

Notes: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Population and Personal Income data are presented on Schedule 18.

(1) The General Obligation Notes only include the long-term position of the notes.

Business-Type Activities

General Obligation Bonds	Special Assessment Bonds	OWDA Loan	OPWC Loan	General Obligation Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$7,340,000	\$0	\$2,735,900	\$166,855	\$4,700,000	\$58,082	\$30,462,933	0.62%	\$950
6,590,000	0	2,394,852	150,170	3,900,000	39,576	30,211,446	0.58%	943
5,805,000	150,000	2,034,697	133,485	6,600,000	20,228	28,502,836	0.53%	889
4,850,000	140,000	1,654,244	116,800	10,880,000	5,239	30,575,430	0.54%	954
4,021,044	130,000	1,252,220	108,458	10,635,000	4,767	28,929,166	0.52%	903
10,560,921	120,000	827,271	91,772	4,057,000	285,848	25,983,405	0.44%	803
9,657,268	115,000	493,521	75,086	5,577,000	224,744	24,120,918	0.41%	746
9,519,777	110,000	144,178	58,400	6,536,000	172,031	22,461,880	0.36%	694
15,106,946	100,000	0	41,714	100,211	117,313	20,203,905	0.33%	625
14,639,732	90,000	0	25,028	100,459	60,514	17,790,872	0.27%	543

City of Fairborn, Ohio
*Ratio of General Obligation Bonded Debt to
 Estimated Actual Value and General Obligation Bonded Debt Per Capita
 Last Ten Years
 Schedule 11*

Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	Debt Per Capita
2005	\$9,040,000	\$1,461,358,274	32,054	0.62%	\$282.02
2006	7,990,000	1,598,884,403	32,054	0.50%	249.27
2007	6,885,000	1,618,623,549	32,054	0.43%	214.79
2008	5,740,000	1,504,143,343	32,054	0.38%	179.07
2009	4,716,044	1,601,809,888	32,054	0.29%	147.13
2010	11,131,504	1,592,114,576	32,352	0.70%	344.07
2011	10,047,734	1,599,282,841	32,352	0.63%	310.58
2012	9,870,127	1,479,320,869	32,352	0.67%	305.09
2013	15,417,179	1,491,268,373	32,352	1.03%	476.54
2014	14,839,849	1,436,955,304	32,770	1.03%	452.85

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (2000 and 2010 Census).

Source: City Records

Notes: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Also, resources have not been externally restricted for the repayment of debt.

City of Fairborn, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2014
 Schedule 12

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Fairborn (1)	Amount Applicable to the City of Fairborn
Direct Debt:			
City of Fairborn			
General Obligation Bonds	\$200,117	100.00%	\$200,117
Special Assessment Bonds	785,943	100.00%	785,943
Notes Payable (3)	311,734	100.00%	311,734
Tax Increment Financing Revenue Bonds	1,486,714	100.00%	1,486,714
Capital Lease Obligations	90,631	100.00%	90,631
Total Direct Debt	2,875,139		2,875,139
Overlapping Debt:			
Greene County	132,171,700	3.47%	4,586,358
Beavercreek City School District (2)	95,928,000	5.63%	5,400,746
Fairborn City School District (2)	14,677,900	2.39%	350,802
Total Overlapping Debt	242,777,600		10,337,906
Grand Total	\$245,652,739		\$13,213,045

Source: Greene County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The debt outstanding is as of June 30, 2014.

(3) The General Obligation Notes only include the long-term portion of the notes.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account.

City of Fairborn, Ohio
Legal Debt Margin Information
Last Ten Years
Schedule 13

	2005	2006	2007	2008
Total Assessed Valuation	\$508,919,665	\$543,459,493	\$539,014,389	\$540,176,197
Overall debt limitation - 10.5% of assessed valuation	<u>53,436,565</u>	<u>57,063,247</u>	<u>56,596,511</u>	<u>56,718,501</u>
Debt Outstanding				
General Obligation Bonds	9,325,000	8,265,000	6,735,000	5,740,000
Income Tax Revenue Bonds	9,350,000	8,470,000	7,570,000	6,650,000
Special Assessment Bonds	1,164,811	1,386,111	2,162,412	2,100,000
Loans Payable	2,902,756	2,545,022	2,168,182	1,771,044
Bond Anticipation Notes	6,810,000	8,650,000	9,070,000	13,505,000
Total Gross Indebtedness	<u>29,552,567</u>	<u>29,316,133</u>	<u>27,705,594</u>	<u>29,766,044</u>
Less Exempt Debt				
General Obligation Bonds	7,340,000	6,590,000	5,655,000	4,850,000
Income Tax Revenue Bonds	9,350,000	8,470,000	7,570,000	6,650,000
Special Assessment Bonds	1,164,811	1,386,111	2,162,412	2,100,000
Loans Payable	2,902,756	2,545,022	2,168,182	1,771,044
Bond Anticipation Notes	6,810,000	8,650,000	9,070,000	13,505,000
Total Exempt Debt	<u>27,567,567</u>	<u>27,641,133</u>	<u>26,625,594</u>	<u>28,876,044</u>
Net Debt Subject to Limitation	1,985,000	1,675,000	1,080,000	890,000
Less amount available in the Debt Service Fund	<u>642,319</u>	<u>623,570</u>	<u>369,454</u>	<u>346,215</u>
Total Net Debt Subject to Limitation	<u>1,342,681</u>	<u>1,051,430</u>	<u>710,546</u>	<u>543,785</u>
Legal debt margin within 10.5% limitation	<u>\$52,093,884</u>	<u>\$56,011,817</u>	<u>\$55,885,965</u>	<u>\$56,174,716</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.5%	98.2%	98.7%	99.0%

Unvoted debt limitation 5.5% of assessed valuation	\$27,990,582	\$29,890,272	\$29,645,791	\$29,709,691
Debt Outstanding	<u>29,552,567</u>	<u>29,316,133</u>	<u>27,705,594</u>	<u>29,766,044</u>
Less Exempt Debt				
General Obligation Bonds	7,340,000	6,590,000	5,655,000	4,850,000
Income Tax Revenue Bonds	9,350,000	8,470,000	7,570,000	6,650,000
Special Assessment Bonds	1,164,811	1,386,111	2,162,412	2,100,000
Loans Payable	2,902,756	2,545,022	2,168,182	1,771,044
Bond Anticipation Notes	6,810,000	8,650,000	9,070,000	13,505,000
Total Exempt Debt	<u>27,567,567</u>	<u>27,641,133</u>	<u>26,625,594</u>	<u>28,876,044</u>
Net Debt Subject to Limitation	1,985,000	1,675,000	1,080,000	890,000
Less amount available in the Debt Service Fund	<u>642,319</u>	<u>623,570</u>	<u>369,454</u>	<u>346,215</u>
Total Net Debt Subject to Limitation	<u>1,342,681</u>	<u>1,051,430</u>	<u>710,546</u>	<u>543,785</u>
Legal debt margin within 5.5% limitation	<u>\$26,647,901</u>	<u>\$28,838,842</u>	<u>\$28,935,245</u>	<u>\$29,165,906</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	95.2%	96.5%	97.6%	98.2%

Ohio Bond Law sets a limit of 10.5 percent for voted debt and 5.5 percent for unvoted debt.

2009	2010	2011	2012	2013	2014
\$570,379,988	\$564,153,550	\$566,692,030	\$524,652,220	\$530,399,900	\$511,398,860
59,889,899	59,236,123	59,502,663	55,088,483	55,691,990	53,696,880
4,725,000	11,205,000	10,115,000	9,560,082	15,272,286	16,326,563
5,690,000	4,690,000	3,585,000	2,440,000	1,245,000	0
1,919,000	1,557,000	1,509,000	1,300,000	1,035,000	874,000
1,360,678	919,043	568,607	202,578	41,714	25,028
14,428,762	6,747,762	7,692,762	8,403,500	715,000	410,000
28,123,440	25,118,805	23,470,369	21,906,160	18,309,000	17,635,591
4,030,000	10,635,000	9,725,000	9,210,082	14,962,286	14,639,732
5,690,000	4,690,000	3,585,000	2,440,000	1,245,000	0
1,919,000	1,557,000	1,509,000	1,300,000	1,035,000	874,000
1,360,678	919,043	568,607	202,578	41,714	25,028
14,428,762	6,747,762	7,692,762	8,403,500	715,000	410,000
27,428,440	24,548,805	23,080,369	21,556,160	17,999,000	15,948,760
695,000	570,000	390,000	350,000	310,000	1,686,831
325,721	295,174	283,373	237,023	295,670	251,075
369,279	274,826	106,627	112,977	14,330	1,435,756
\$59,520,620	\$58,961,297	\$59,396,036	\$54,975,506	\$55,677,660	\$52,261,124
99.4%	99.5%	99.8%	99.8%	100.0%	97.3%
\$31,370,899	\$31,028,445	\$31,168,062	\$28,855,872	\$29,171,995	\$28,126,937
28,123,440	25,118,805	23,470,369	21,906,160	18,309,000	17,635,591
4,030,000	10,635,000	9,725,000	9,210,082	14,962,286	14,639,732
5,690,000	4,690,000	3,585,000	2,440,000	1,245,000	0
1,919,000	1,557,000	1,509,000	1,300,000	1,035,000	874,000
1,360,678	919,043	568,607	202,578	41,714	25,028
14,428,762	6,747,762	7,692,762	8,403,500	715,000	410,000
27,428,440	24,548,805	23,080,369	21,556,160	17,999,000	15,948,760
695,000	570,000	390,000	350,000	310,000	1,686,831
325,721	295,174	283,373	237,023	295,670	295,670
369,279	274,826	106,627	112,977	14,330	1,391,161
\$31,001,620	\$30,753,619	\$31,061,435	\$28,742,895	\$29,157,665	\$26,735,776
98.8%	99.1%	99.7%	99.6%	100.0%	95.1%

City of Fairborn, Ohio
Pledged Revenue Coverage
Last Ten Years
Schedule 14

OWDA Loan						
Calendar Year	Gross Revenues	Less: Operating Expenses(1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	\$4,540,138	\$3,067,957	\$1,472,181	\$323,062	\$168,817	2.99%
2006	4,867,233	3,142,634	1,724,599	341,049	149,909	3.51%
2007	4,945,690	3,189,204	1,756,486	360,155	122,578	3.64%
2008	5,480,155	3,432,202	2,047,953	380,453	102,279	4.24%
2009	5,586,017	3,127,248	2,458,769	402,024	80,706	5.09%
2010	5,770,826	3,955,133	1,815,693	424,949	55,693	3.78%
2011	5,943,585	3,670,074	2,273,511	333,750	33,377	6.19%
2012	6,508,691	5,103,267	1,405,424	349,343	17,787	3.83%
2013	6,656,869	4,142,833	2,514,036	144,178	4,242	16.94%
2014	0	0	0	0	0	N/A

(1) Direct operating expenses do not include depreciation expense.

(2) The Income Tax Revenue bonds were issued and the first principal payment was made in 2005. Prior to 2008, municipal income tax was not reported separately on the Statement of Revenues, Expenditures and Changes in Fund Balance. The amounts report prior to 2008 are on the cash basis.

Income Tax Revenue Bonds

Municipal Income Taxes (2)	Debt Service Requirements			Coverage
	Principal	Interest	Total	
\$9,240,605	\$650,000	\$393,150	\$1,043,150	8.86%
10,491,706	880,000	359,400	1,239,400	8.47%
10,876,224	900,000	328,600	1,228,600	8.85%
10,194,655	920,000	294,850	1,214,850	8.39%
11,185,796	960,000	262,650	1,222,650	9.15%
11,442,949	1,000,000	229,050	1,229,050	9.31%
11,574,407	1,105,000	194,050	1,299,050	8.91%
11,994,955	1,145,000	152,613	1,297,613	9.24%
11,691,107	1,195,000	106,813	1,301,813	8.98%
11,911,179	1,245,000	56,025	1,301,025	9.16%

City of Fairborn, Ohio
Demographic and Economic Statistics
Last Ten Years
Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	32,054	\$4,925,113	\$31,545	5.4%
2006	32,054	5,206,513	33,044	5.4%
2007	32,054	5,390,237	33,988	6.2%
2008	32,054	5,692,242	35,720	7.5%
2009	32,054	5,610,597	35,105	11.7%
2010	32,352	5,877,656	36,370	10.7%
2011	32,352	6,162,374	37,842	9.2%
2012	32,352	6,318,000	23,677	7.5%
2013	32,352	6,690,015	22,959	7.1%
2014	32,770	6,690,015 (5)	22,959 (5)	4.8%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census).
 - (2) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (3) Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (4) Ohio Labor Market Information
 - (5) Information was not available for 2014; the 2013 amounts were used as an estimate

City of Fairborn, Ohio
Principal Employers
 2014 and 2005
 Schedule 16

2014	
Employer	Number of Employees
Wright Patterson AFB	28,500
Wright State University	2,385
Teleperformance USA Inc.	725
Fairborn City Schools	617
Ball Aerospace	400
City of Fairborn	250
Morris Home Furniture Co.	200
Dynamics Research Corporation	205
I-Supply	200
Peerless Technologies	200
Total Employees	33,682

2005	
Employer	Number of Employees
Wright Patterson AFB	22,000
Wright State University	2,200
Fairborn City Schools	550
Teleperformance USA Inc.	400
Logtec (1)	300
Ball Aerospace	260
Wright-Patt Credit Union (1)	260
City of Fairborn	260
Computer Sciences Corp.	250
Northrop Grumman	240
Total Employees	26,720

Source: Community Development Division

(1) Denotes corporate headquarters

Total employment within the City for either year is not available.

City of Fairborn, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years
Schedule 17

Function/Program	2005	2006	2007	2008
General Government				
City Council	4.0	4.0	0.9	1.4
Municipal Court	24.0	24.0	28.9	29.5
City Administration	3.5	3.5	3.8	3.0
Finance	15.0	14.0	15.3	12.8
Legal	2.0	2.0	2.0	2.0
Personnel	1.0	1.0	1.0	1.0
Engineering	4.0	5.5	6.1	6.1
Public Works Director	0.0	0.0	0.0	0.0
Audio Visual	0.0	0.0	0.0	0.0
Plant Maintenance	12.0	12.0	9.6	8.8
Victim Witness	2.0	2.0	1.9	1.8
Public Safety (1)				
Police				
Sworn Officers	51.0	47.5	43.0	43.0
Non-Sworn	16.0	16.0	18.6	18.9
Fire	50.5	51.0	52.0	51.7
Community Environment				
Building Inspection	5.0	5.0	4.9	4.9
City Planner	3.0	3.0	2.3	2.8
Neighborhood Betterment	4.0	3.5	3.6	2.9
Economic Development				
Leisure Time Activities				
Parks and Recreation	1.5	1.5	1.3	1.5
Transportation and Street Repair				
Street	10.0	10.0	10.0	9.4
State Highway	1.0	1.0	1.0	1.0
Public Health and Welfare				
Cemetery	1.5	1.5	1.5	1.5
Basic Utility Service				
Water	17.5	17.0	17.4	16.6
Sewer	21.5	23.0	21.7	22.5
Sanitation	1.0	1.0	1.1	1.1
Internal Service				
ITS	2.0	2.0	3.0	3.0
Equipment Services	7.0	7.0	7.1	7.1
Total	<u>260.0</u>	<u>258.0</u>	<u>257.5</u>	<u>254.3</u>

Source: Various City Departments

(1) Information obtained from department annual reports.

2009	2010	2011	2012	2013	2014
1.4	1.4	1.4	1.4	1.4	1.4
30.1	29.3	26.2	26.6	27.1	27.3
4.0	3.0	3.0	3.0	3.0	3.0
13.4	13.9	13.2	11.6	12.6	12.6
2.0	2.0	2.5	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.5	1.5
6.4	6.4	5.3	4.5	4.5	4.5
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0
8.8	8.5	8.4	8.4	8.4	8.4
1.8	2.0	2.0	2.0	2.0	2.0
43.0	42.0	42.0	43.0	42.0	43.0
18.9	18.9	17.0	12.5	18.5	19.0
51.5	51.5	47.5	49.5	51.5	51.5
5.5	5.5	5.4	4.2	4.3	4.0
2.5	2.5	2.3	2.3	2.3	3.5
2.8	2.6	3.5	3.6	4.1	4.2
		0.0	0.0	1.5	1.5
1.6	2.1	2.1	2.2	2.5	2.8
10.0	10.0	10.1	10.4	11.4	12.4
1.0	1.0	1.0	1.0	1.0	1.0
1.5	1.0	1.0	1.0	1.0	1.5
16.6	16.6	16.7	15.7	18.7	17.4
21.9	21.9	22.1	21.1	17.8	18.4
1.6	2.1	1.1	1.6	1.6	1.6
2.8	2.9	2.9	2.9	2.9	3.7
7.1	7.1	6.1	5.1	6.1	6.1
<u>257.0</u>	<u>255.1</u>	<u>243.8</u>	<u>236.6</u>	<u>249.7</u>	<u>254.2</u>

City of Fairborn, Ohio
Operating Indicators by Function/Program
Last Ten Years
Schedule 18

Function/Program	2005	2006	2007	2008
General government				
Municipal Court				
Criminal and Traffic Cases	16,072	19,043	19,634	18,369
Criminal and Traffic Trials	79	96	106	83
Criminal and Traffic Receipts (in 000's)	\$2,624	\$2,983	\$3,034	\$3,245
Civil/Small Claims Cases	1,983	2,072	2,146	2,410
Civil/Saml Claims Trials	835	897	587	1,190
Civil/Small Claims Receipts (in 000's)	\$578	\$581	\$729	\$900
Security of Persons and Property				
Police				
Calls for Service	32,778	37,252	34,981	37,250
Parking Violations	1,141	932	852	689
Traffic Violations	2,515	5,400	6,218	5,986
Criminal Citations	2,817	3,478	3,506	3,740
Training Hours	3,441	4,691	4,008	2,739
Fire				
Emergency Responses	5,736	5,872	6,000	6,214
Inspections	1,141	1,157	1,177	1,200
Training Hours	12,518	6,980	5,924	5,400
Community Environment				
Planning and Development				
Residential Construction Permits Issued	1,195	1,040	1,044	806
Estimated Value of Residential				
Construction	\$14,832,301	\$11,939,843	\$17,515,016	\$10,092,588
Commercial Construction				
Permits Issued	474	361	359	380
Estimated value of Commercial				
Construction	\$17,083,481	\$23,925,526	\$17,655,180	\$25,416,559
Parks and Recreation				
Softball Registrations	95	72	86	100
Weekday Fast-Pitch Registrations (youth) (1)	0	0	0	0
Weekend Softball Tournaments	57	46	40	57
Water				
New Connections	102	91	83	68
Water Main Breaks	37	22	42	42
Average Daily Consumption				
(millions of gallons)	3.792	3.594	3.414	3.300
Peak Daily Consumption				
(millions of gallons)	N/A	4.730	4.690	4.730
Total Water Treated				
(millions of gallons)	1,384	1,320	1,260	1,202
Average Daily Treatment				
(millions of gallons)	3.8	3.6	3.4	3.3
Hydrants Flushed	1,457	1,460	1,423	1,423
Sewer				
Total Water Treated				
(millions of gallons)	1,555	1,581	1,636	1,669
Average Daily Treatment				
(millions of gallons)	4.3	4.3	4.5	4.6

Source: Various City Departments

(1) New youth softball category added in 2014

2009	2010	2011	2012	2013	2014
15,728	13,877	13,388	13,677	13,516	15,187
67	85	62	76	70	70
\$3,035	\$2,791	\$2,747	\$2,634	\$2,792	\$2,768
2,022	2,116	1,857	1,765	1,672	1,914
1,054	965	853	819	429	600
\$809	\$874	\$896	\$881	\$743	\$754
35,482	35,194	32,601	34,709	44,920	49,640
979	822	761	946	1,315	1,439
4,820	4,063	3,947	4,123	5,226	4,585
3,183	1,690	1,362	2,174	2,521	2,640
3,741	1,814	2,595	3,636	3,391	4,397
6,095	6,287	6,464	6,479	6,007	6,479
1,100	889	1,300	1,300	1,156	1,087
4,487	1,700	2,300	2,300	2,064	2,397
1,048	1,068	1,125	1,120	984	1,114
\$30,159,074	\$20,844,967	\$25,238,437	\$18,449,074	\$7,012,006	\$14,450,637
290	312	389	395	395	433
\$6,188,505	\$6,021,792	\$5,285,194	\$18,962,948	\$7,012,006	\$5,078,437
93	65	64	63	54	25
0	0	0	0	0	26
64	55	72	72	61	35
70	49	62	68	63	93
33	44	33	55	88	53
3.300	2.445	2,415.000	3.600	3.400	3.460
4.240	4.258	4,012.000	4.900	5.110	4.310
1,212	1,203	1,200	1,359	1,213	1,140
3.3	3.3	3.5	3.7	3.5	3.5
1,463	1,353	1,500	1,503	1,029	1,496
1,530	1,550	1,943	1,479	1,524	1,479
4.2	4.3	5.3	4.0	4.2	4.4

City of Fairborn, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years
Schedule 19

Function/Program	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol units	31	31	30	30
Fire Stations	3	3	4	4
Public Works				
Area of City (square miles)	13.41	13.41	13.41	13.41
Streets (lane miles)	288.81	293.10	294.20	294.94
Streetlights	1,995	2,342	2,495	2,512
Parks and Recreation				
Number of Parks	19	19	19	19
Acreage	651.51	686.61	686.57	686.57
Playgrounds	18	18	17	17
Baseball/softball diamonds	15	15	15	15
Soccer/football fields	12	12	12	12
Number of Tennis Courts	14	14	14	14
Municipal Water Department				
Daily Treatment Capacity (millions of gallons)	5.00	5.00	5.40	5.40
Water Mains (miles)	147.69	148.56	149.37	149.78
Fire hydrants	1,457	1,460	1,457	1,470
Sewers				
Daily Treatment Capacity (millions of gallons)	(1) 6.00	(1) 6.00	6.00	6.00
Storm Sewers (miles)	109.71	110.66	111.57	112.32
Sanitary Sewers (miles)	135.24	135.78	136.50	136.20

Source: Various City Departments

(1) Information was corrected from prior years.

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
30	30	13	13	13	13
4	4	4	4	4	4
13.40	13.41	13.41	13.41	13.53	14.01
294.94	296.13	297.27	298.15	299.24	299.52
2,512	2,506	2,514	2,552	2,553	2,553
20	20	20	20	20	20
714.30	715.00	712.33	714.33	714.33	714.33
18	18	19	19	19	20
15	15	15	15	11	11
12	12	12	12	12	12
14	14	14	14	14	14
5.40	5.40	6.50	6.50	6.50	6.50
149.78	149.93	151.78	152.26	152.96	154.06
1,477	1,412	1,493	1,493	1,500	1,505
6.00	6.00	6.00	6.00	6.00	6.00
112.32	113.16	113.82	114.60	114.60	115.08
136.50	137.52	138.02	138.65	138.81	138.93





**City of Fairborn
Finance Department
44 West Hebble Avenue
Fairborn OH 45324
Telephone: (937) 754-3005
www.ci.fairborn.oh.us**

CITY OF FAIRBORN



Single Audit Reports
December 31, 2014

PLATTENBURG
Certified Public Accountants

**CITY OF FAIRBORN, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Disbursements
<u>U.S. DEPARTMENT OF HUD</u>			
<i>Pass-Through State Department of HUD:</i>			
Community Development Block Entitlement Grant	B-12-MC-39-0032	14.218	\$283,739
Total United States Department of Housing & Urban Development			283,739
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Funding</i>			
Bulletproof Vest Partnership	N/A	16.607	2,796
<i>Pass-Through Ohio Attorney General:</i>			
Victims of Crimes Act	2014-VAGENE482	16.575	15,680
Victims of Crimes Act	2015-VAGENE482	16.575	7,850
			23,530
<i>Pass-Through Ohio Office of Criminal Justice Services:</i>			
Victim Witness Justice Assistance Grant	2013-JG-D01-6876	16.738	25,600
<i>Pass-Through Greene County:</i>			
Equitable Sharing Fund	N/A	16.xxx	115,764
Total United States Department of Justice			167,690
<u>FEDERAL HIGHWAY ADMINISTRATION</u>			
<i>Pass-Through Ohio Department of Transportation</i>			
Congestion Mitigation and Air Quality Grant	93920	20.205	144,623
Total Federal Highway Administration			144,623
<u>US DEPARTMENT OF HOMELAND SECURITY - FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Direct Funding</i>			
2011 SAFER Grant	N/A	97.044	231,886
Total US Department of Homeland Security			231,886
Total Federal Expenditures			\$827,938

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs.

The schedule has been prepared using the cash basis of accounting.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, City Council and City Manager
City of Fairborn

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 15, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor, City Council and City Manager
City of Fairborn

Report on Compliance for Each Major Federal Program

We have audited the City of Fairborn's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with

OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 15, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 15, 2015

**CITY OF FAIRBORN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014**

Section I – Summary of Auditor’s Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any material reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were the any other significant control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Assistance to Firefighters Grants - CFDA# 97.044
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**CITY OF FAIRBORN
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133
DECEMBER 31, 2014**

Summary of Prior Audit Findings and Questioned Costs:

2013–1 Finding Type —Significant Deficiency –Controls Related to Financial Reporting.

Our audit identified material misstatements related to restricted fund balance, nonspendable fund balance, accounts receivable and unavailable revenue.

Status: Corrected.



Dave Yost • Auditor of State

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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 4, 2015**