

CITY OF FAIRBORN, OHIO



Single Audit Reports

December 31, 2015

PLATTENBURG
Certified Public Accountants



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, 2015 through December 31, 2015. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 14, 2016

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**CITY OF FAIRBORN, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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	\$230,281
<i>Pass-Through City of Dayton:</i>			
Neighborhood Stabilization Program (NSP II)	B-09-CN-OH-0029	14.256	209,221
<i>Pass-Through State Department of Development:</i>			
HOME Investment Partnerships Program	A-C-13-2BK-2	14.239	338,094
			<u>777,596</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Funding</i>			
Bulletproof Vest Partnership	N/A	16.607	6,408
<i>Pass-Through Ohio Attorney General:</i>			
Victims of Crimes Act	2015-VOCA-12355386	16.575	724
Victims of Crimes Act	2015-VAGENE482	16.575	17,664
Victims of Crimes Act	2016-VAGENE482	16.575	14,652
<i>Pass-Through Ohio Office of Criminal Justice Services:</i>			
Victim Witness Justice Assistance Grant	2014-JG-D01-6876	16.738	21,338
<i>Pass-Through Greene County:</i>			
Equitable Sharing Fund	N/A	16.922	67,028
			<u>127,814</u>
<u>FEDERAL HIGHWAY ADMINISTRATION</u>			
<i>Pass-Through Ohio Department of Transportation</i>			
Congestion Mitigation and Air Quality Grant-Broad St. Signal	93920	20.205	367,458
Congestion Mitigation and Air Quality Grant-Bikeway	93904	20.205	362,451
			<u>729,909</u>
			<u>\$1,635,319</u>

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 15, 2016, wherein we noted the City adopted GASB No. 68 and 71 as disclosed in Note 3.

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

July 15, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

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

the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 15, 2016, which contained unmodified opinions on those financial statements, wherein we noted the City adopted GASB No. 68 and 71 as disclosed in Note 3. 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 the Uniform Guidance 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
July 15, 2016

**CITY OF FAIRBORN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Highway Planning and Construction -CFDA# 20.205

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as 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
DECEMBER 31, 2015**

Summary of Prior Audit Findings and Questioned Costs:

None

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CITY OF FAIRBORN

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



FAIRBORN

A CITY IN MOTION

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



FAIRBORN

A CITY IN MOTION

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	v
GFOA Certificate of Achievement	xv
Principal Officials	xvi
Organizational Chart	xvii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	17
Statement of Activities	18

Fund Financial Statements:

Balance Sheet – Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	
General Fund	28
Fire and EMS Fund	29
Police Fund	30
County Motor Vehicle Tax Fund	31
Statement of Fund Net Position – Proprietary Funds	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents
(continued)

Statement of Fiduciary Net Position – Agency Fund.....	37
Notes to the Basic Financial Statements	38
 Required Supplementary Information	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Two Years	95
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Two Years.....	96
Schedule of City Contributions – Ohio Public Employees Retirement System – Traditional Plan – Last Three Years	97
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	98
 Combining Financial Statements:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions	101
Combining Balance Sheet – Nonmajor Governmental Funds	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	107
Combining Balance Sheet – Nonmajor Special Revenue Funds	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	112
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	118
 Combining Financial Statements Proprietary Funds:	
Internal Service Fund Descriptions.....	120
Combining Statement of Fund Net Position – Internal Service Funds	121

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents
(continued)

Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	122
Combining Statement of Cash Flows – Internal Service Funds.....	123
Combining Financial Statements Fiduciary Funds:	
Agency Fund Descriptions.....	124
Statement of Changes in Assets and Liabilities – Agency Funds	125
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget and Actual (Non-GAAP Basis):	
Major Funds:	
General Fund.....	126
Fire and EMS Fund.....	129
Police Fund	130
County Motor Vehicle Tax Fund.....	132
Water Fund.....	134
Sewer Fund	135
Sanitation Fund.....	136
Nonmajor Funds:	
Street Maintenance and Repair Fund.....	137
State Highway Fund.....	138
Community Development Fund.....	139
Cemetery Fund.....	141
Neighborhood Stabilization Program Fund	142
Neighborhood Stabilization Program II Fund.....	143
Victim Witness Fund	144
Home Fund.....	145
Victims Assistance Justice Assistance Grant Fund.....	146
Law Enforcement Trust Fund	147
Drug Law Enforcement Fund	148
Indigent Drivers Alcohol Treatment Fund.....	149
Alcohol Enforcement and Education Fund.....	150
Federal Forfeitures Fund.....	151
Municipal Probation Services Fund.....	152
Traffic Intervention Fund.....	153
Court Legal Research/Computerization Fund.....	154
Court Clerk Computerization Fund.....	155
Indigent Driver’s Interlock and Alcohol Monitoring Fund.....	156
Moving Ohio Forward Fund	157
Public Safety Police/Fire Fund	158
Uninsured Loss Fund	159
General Bond Retirement Fund	160

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents
(continued)

Issue II Improvement Fund	161
Court Special Projects Fund.....	162
General Capital Improvement Fund.....	163
Parks and Recreation Improvements Fund	164
Public Safety Equipment/Facility Fund	165
Building and Land Fund	166
Tax Increment Financing Fund	167
Special Assessment Construction Fund	168
National Road Improvement Fund.....	169
Equipment Fund.....	170
Information Technology Fund	171
Employee Assistance Program Fund	172

STATISTICAL SECTION

Statistical Tables Descriptions	173
Net Position by Component – Last Ten Years – Schedule 1	174
Changes in Net Position – Last Ten Years – Schedule 2	176
Fund Balances – Governmental Funds – Last Ten Years – Schedule 3	180
Changes in Fund Balances – Governmental Funds – Last Ten Years – Schedule 4.....	182
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years – Schedule 5.....	184
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years – Schedule 6.....	186
Principal Property Tax Payers – 2015 and 2006 – Schedule 7	190
Property Tax Levies and Collections – Last Ten Years – Schedule 8	191
Income Tax by Payer Type and Income Tax Rate – Last Ten Years – Schedule 9.....	193
Ratios of Outstanding Debt by Type – Last Ten Years – Schedule 10.....	194
Ratio of General Obligation Bonded Debt to Estimated Actual Value And General Obligation Bonded Debt Per Capita – Last Ten Years – Schedule 11	196
Direct and Overlapping Governmental Activities Debt – December 31, 2015 – Schedule 12.....	197
Legal Debt Margin Information – Last Ten Years – Schedule 13	198
Pledged Revenue Coverage – Last Ten Years – Schedule 14.....	200
Demographic and Economic Statistics – Last Ten Years – Schedule 15.....	202
Principal Employers – 2015 and 2008 – Schedule 16.....	203
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years – Schedule 17.....	204
Operating Indicators by Function/Program – Last Ten Years – Schedule 18.....	206
Capital Assets Statistics by Function/Program – Last Ten Years – Schedule 19	208



**CITY OF FAIRBORN
FINANCE DEPARTMENT**

44 W. Hebble Avenue
Fairborn, OH 45324
(937) 754-3005
Fax: (937) 754-3115

July 15, 2016

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, 2015. 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 percent 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 percent of the US population, 50 percent of the Canadian population, 63 percent of all US manufacturing, 70 percent of all the North American manufacturing and 80 percent 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 percent 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 2015

Public Safety Police and Fire - Voters approved at the November 2014 ballot a one-quarter of one percent (0.25) percent income tax rate for ten years for police and fire equipment and operations. This was a renewal of the 0.25 percent income tax that for the previous ten years had been used for the acquisition of fire and EMS equipment and facility capital improvements that expired as of December 31, 2014. This levy generated approximately \$2 million dollars in 2015, the first year for the levy, and has been used for police and fire equipment and vehicles, as well as a portion of the police and fire personnel costs.

Streets - During the same election in 2014, residents also approved a renewal of the one-quarter of one percent income tax levy for resurfacing, reconstructing and repairing the City's thoroughfares and residential streets. The renewal of this levy was important as it provides predictable funding that allows the city to continue its efforts to upgrade and maintain city streets for the next ten years. This levy also generated approximately \$2 million in 2015.

Construction of the Dayton Yellow Springs Road Phase 3 project was completed in 2015. It consisted of road widening to add an additional westbound through lane, asphalt milling and resurfacing, installing a decorative curbed median island that created safer access points to the service road, and improving the traffic signal at Southlawn Drive. The project was partially funded by a \$400,000 grant from the Ohio Public Works Commission.

Also completed in 2015 was the construction of the Fairborn Sidepath Connector project which closed a gap in a regional bike trail through the heart of Fairborn. The project also included a new sanitary sewer under the Norfolk Southern railroad tracks at Xenia Drive, construction of sidewalk across the same tracks, and raising the roadway at the grade crossing. A \$380,185 Congestion Mitigation and Air Quality Improvement (CMAQ) grant awarded through the Miami Valley Regional Planning Commission assisted in funding this project.

Ohio Department of Transportation (ODOT) completed work in 2015 on two projects in Fairborn related to the change in the routing of State Route 444. The projects expanded the radii of three intersections: Dayton-Yellow Springs Road and Kauffman, Central Avenue and Dayton Drive, and Broad Street and Dayton Drive. These improvements have made the routes more truck friendly.

The 2015 Street Program included a variety of treatments that covered 66 street segments. The treatment types included asphalt milling and resurfacing, concrete base repairs and resurfacing, asphalt surface sealing, micro surfacing, and placement of asphalt rejuvenation liquid. Of these segments, five of them were thoroughfare street sections. The work covered approximately 13.2 centerline miles of streets, of which 7.1 miles were paved the year before and received an asphalt rejuvenation treatment to help extend the useful life of the asphalt. This diversification of street treatments stretches paving funds while extending pavement life.

The 2016 Curb-Sidewalk-Approach (CSA) program was awarded and began construction in 2015. 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. Work will be completed in 2016.

Water and Sewer - 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 2015, this included the replacement of water mains on three streets, Sunset Drive, Oakhill Avenue and Koogler Street, as well as the design for a similar project on Ramona Drive to be constructed in 2016.

A major renovation of the Northwest lift station was started in 2015 and will be completed in 2016. This station handles more than half of the wastewater flow that is conveyed to the Water Reclamation Center for treatment. The project will more than double the station's capacity; replace smaller, less efficient pumps with no-clog units; install a secondary force main; and update electric, instrumentation and safety features. By maintaining the existing station's footprint and upgrading to more efficient pumping equipment, the City was able to reduce the project cost by almost half over building a new facility.

Two generator projects were undertaken to assure the water system's ability to operate during both short and longer-term power loss situations. A stationary generator and automatic transfer switch was installed at both the City's primary well field and a booster station. Both of these sites had previously been serviced by a single, shared portable unit that had to be manually deployed during a power outage.

To identify future needs, master plans for the water, sanitary sewer and storm sewer systems were completed. Each plan included modeling of the current infrastructure, assessment of related facilities, identification of vulnerabilities, and recommended projects for a 20-year planning horizon. The master plan findings have been incorporated into the City's capital plan.

Parks - The City received a \$300,000 grant award from the Ohio Department of Natural Resources for a new entrance to Fairfield Park from Broad Street, making the \$520,000 project financially feasible. Permanent shade structures were also installed over the team areas on #1-#3 softball fields at Fairfield Park, offering welcome protection from sun and rain. Other park projects in 2015 included the resurfacing of the Community Park basketball and tennis courts and the completion of the Rona Hills restroom project.

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.

Streets - The Engineering division continues to oversee the paving program for the 452 public streets in Fairborn. The vision for the future 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 2016 Street Program will utilize an innovative pavement recycling method called cold in-place recycling (CIR). This method was used on Spangler Road in 2015 with excellent results. It repairs the asphalt deeper and at a lower cost than a traditional mill and resurfacing, and reuses most of the existing asphalt.

The Downtown Streetscape Phase 3 project will be constructed in 2016 from Pleasant Street to Dayton Drive. It will include curb replacement, under drain installation, pavement resurfacing, storm sewer improvements, and aesthetic elements to complete the Main Street corridor through downtown.

In 2016 work will also include the full depth reconstruction of Ohio Street and Wright Avenue, replacing the curb, pavement, and adding a new waterline. A \$400,000 Ohio Public Works Commission (OPWC) Grant and a \$500,000 OPWC Loan have been secured to assist with project funding.

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 the fall of 2017. A \$300,000 Transportation Enhancement grant awarded through the Miami Valley Regional Planning Commission (MVRPC) assisted in funding this project.

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.

The interchange of Dayton Yellow Springs Road and Interstate 675 is scheduled to receive improvements related to safety and efficiency in 2018. A safety grant of \$600,000 was received through the ODOT Safety Program to help cover the costs. This project will add an additional lane to the southbound exit ramp, increase turn lane storage on Dayton Yellow Springs (DYS), and improve signal operations.

Water and Sewer - 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 2016, the City will continue efforts to renew water and sewer infrastructure. This includes more lining of sewer mains in areas identified during the sewer master planning effort as having inflow and infiltration problems. Design of renovations to the Southeast lift station is currently underway. As with the Northwest lift station, the work will be conducted within the existing footprint in an effort to maximize capacity while minimizing capital expenses.

A contract has been awarded for the construction of a secondary line to transport raw water from the well fields to the treatment plant. This project will address a system vulnerability, provide redundancy and increase conveyance capacity. It should be significantly completed within the year.

A 17-year old water metering system will also be updated to address battery life issues. In addition, enhanced reading capabilities will be gained when the system is converted from collection of monthly reads via a vehicle-based computer to a fixed based system with hourly read collection and the ability to procure on-demand readings. With the availability of live data, customer service representatives can better assist customers. Those customers will also have tools to better manage their own water usage through a web-based portal which will include trending, ability to set high consumption alerts, and leak indicators.

Parks - Several projects are being completed with the Fairborn park system in 2016, including an electronic information sign located adjacent to Community Park in partnership with Fairborn Schools, a new sidewalk in Fairfield Park leading from Broad Street to Pierce Drive parallel to the new park entrance road completed in 2015, improvements to the basketball courts located at Osborn Park, Community Park and Fairfield Park, and the city's 21st park, Garland Wetland Reserve, should be donated by BW Greenway to the city once all of the Clean Ohio development projects are completed.

Future park plans include a community dog park, updating the restroom in Community Park's lower area, replacing the Fairfield Park basketball courts, updating all four Community Park playgrounds, updating the Fairfield Park concession stand, installing new field lights for softball diamond 3 at Fairfield Park, and widening the existing 3 foot walking path in the upper section of Community Park to a minimum of 6 feet.

Plant Maintenance - As for city maintained/owned buildings, future improvements include a new roof for the Municipal Court, the conversion to LED lighting for the exterior of the Fairborn Library along with the installation of a new HVAC roof unit, and the Government Center IT server room is scheduled to receive a new HVAC interior unit to keep a constant temperature for the equipment.

Economic Development - As a way to be more proactive in business development and less dependent on the uncertainty of attracting businesses in a heavily competitive region, the city is going to put an emphasis retention and expansion of existing businesses. Given the strong presence of technology-based companies and other service-oriented businesses that service Wright Patterson Air Force Base (WPAFB), the City has a strong ecosystem of innovation that it wants to foster and grow. In 2016, the Fairborn Development Corporation will begin the process of establishing a co-share/incubator space to promote entrepreneurship and innovation. This co-share space will offer an environment of collaboration and cooperation that will help someone start a business, as well as offer education and training on how to grow and maintain that business.

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 moving forward in 2016 is the creation of a new industrial park which will provide in excess of 500 acres of land for future industrial development.

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 currently underway is the Bluffs on Trebein consisting of 185 single-family homes at the \$225,000 - \$325,000 price point. Other notable developments under construction include Waterford Landing and Candlelite Estates (single-family homes) and Redwood Communities (rentals).

Business outreach activity will build upon last year's effort which resulted in 227 total projects worked and over 1,200 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, 2015, 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, 2014. This was the twenty-sixth 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, 2015 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, 2014

Executive Director/CEO

City of Fairborn, Ohio

Principal Officials

December 31, 2015

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Dan Kirkpatrick, Mayor

Paul Keller, Deputy Mayor

Rob Hoffman, Council Member

Terry Burkert, Council Member

Marilyn McCauley, Council Member

Tim Steininger, Council Member

Donna Wilson, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

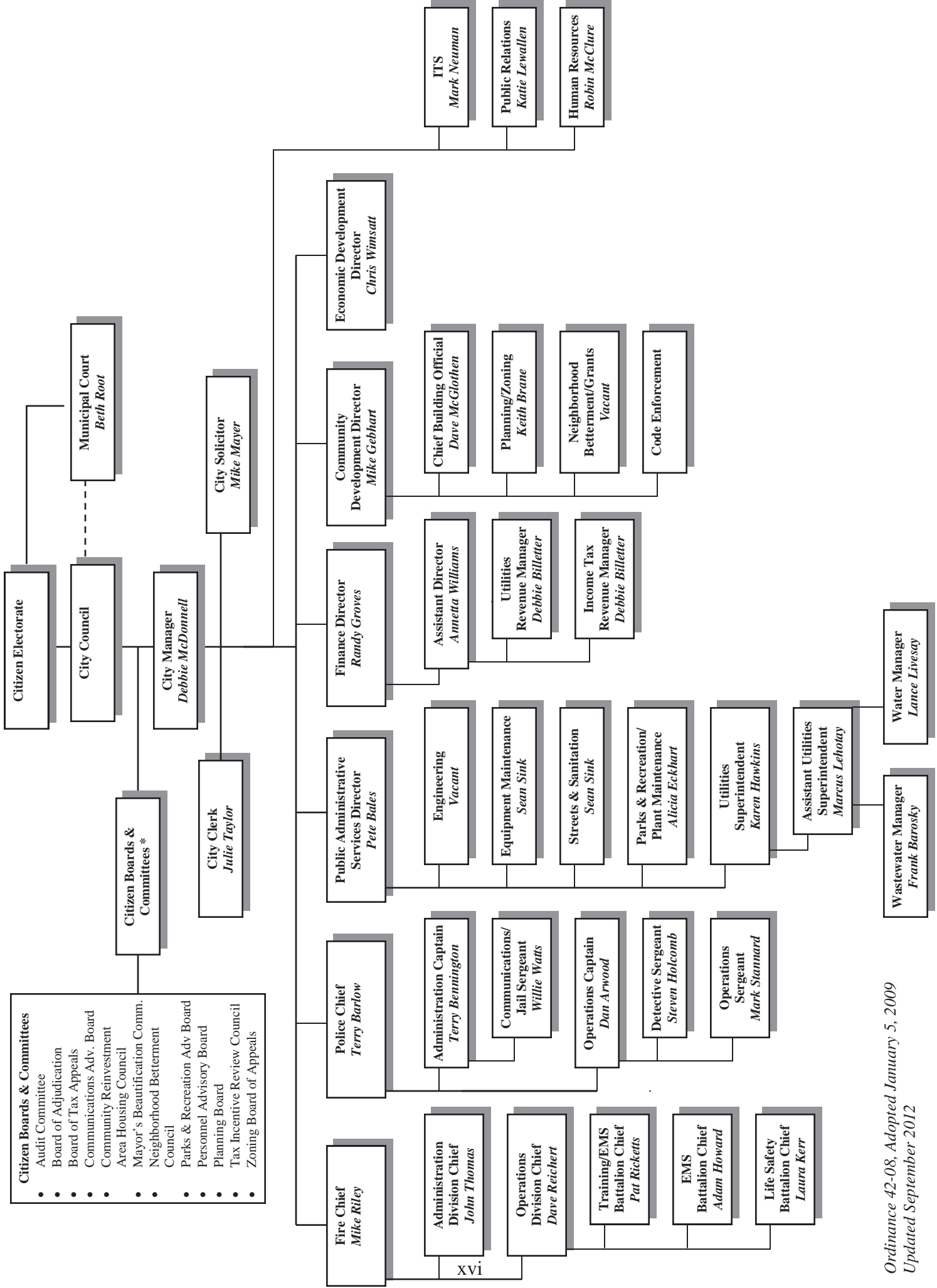
FINANCE DIRECTOR

Randall J. Groves

ASSISTANT FINANCE DIRECTOR

Annetta L. Williams

City of Fairborn Organizational Chart



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, 2015, 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, 2015, 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.

Emphasis of Matter

As described in Note 3 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension liabilities and pension contributions 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 July 15, 2016, 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

July 15, 2016

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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, 2015, 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, combining financial statements and individual fund schedules to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City was required to implement GASB 68 and must now recognize a nearly \$27 million net pension liability. The effect of this liability is to distort the financial statements causing a reduction to net position of governmental activities and business-type activities. A more detailed discussion follows below in the City as a whole.
- Governmental activities net position increased by \$1.6 million and now makes up 72 percent of the City's total net position. The net position of business-type activities increased \$1.7 million.
- Due to the effects of GASB 68 and the reporting of the net pension liability unrestricted governmental activities net position is now reported as a negative number. Unrestricted net position of governmental activities decreased 7.6 percent in 2015 to negative \$7.8 million.
- Unrestricted business-type activities net position increased 9.5 percent to \$15.3 million.
- The City's enterprise funds reflected operating income of \$2 million and a net position at year-end of \$25.8 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.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

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 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 20. 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.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

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 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 2015 compared to 2014.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

	Table 1 Net Position						Change
	Governmental Activities		Business-type Activities		Total		
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014	
Assets							
Current Assets	\$32,477,150	\$32,270,136	\$20,452,110	\$16,940,671	\$52,929,260	\$49,210,807	\$3,718,453
Capital Assets, Net	66,295,946	65,532,464	25,523,355	25,368,592	91,819,301	90,901,056	918,245
Total Assets	98,773,096	97,802,600	45,975,465	42,309,263	144,748,561	140,111,863	4,636,698
Deferred Outflow of Resources							
Deferred Charges on Refunding Pension	0	0	151,880	170,015	151,880	170,015	(18,135)
	3,438,029	2,254,667	310,138	214,043	3,748,167	2,468,710	1,279,457
Total Deferred Outflow of Resources	3,438,029	2,254,667	462,018	384,058	3,900,047	2,638,725	1,261,322
Liabilities							
Current and other liabilities	2,379,420	2,923,545	1,518,621	1,552,943	3,898,041	4,476,488	(578,447)
Long-Term Liabilities							
Net Pension Liability	25,076,249	23,782,288	1,754,748	1,715,114	26,830,997	25,497,402	1,333,595
Other Amounts	3,919,472	4,059,121	17,316,154	15,301,661	21,235,626	19,360,782	1,874,844
Total Liabilities	31,375,141	30,764,954	20,589,523	18,569,718	51,964,664	49,334,672	2,629,992
Deferred Inflow of Resources							
Property Tax	4,816,064	4,835,562	0	0	4,816,064	4,835,562	(19,498)
Revenue In Lieu Of Taxes	402,867	507,553	0	0	402,867	507,553	(104,686)
Pension	97,620	0	30,827	0	128,447	0	128,447
Total Deferred Inflows of Resources	5,316,551	5,343,115	30,827	0	5,347,378	5,343,115	4,263
Net Position							
Net Investment in Capital Assets	62,817,281	61,971,834	10,497,587	10,132,357	73,314,868	72,104,191	1,210,677
Restricted	10,484,017	9,206,263	0	0	10,484,017	9,206,263	1,277,754
Unrestricted (Deficit)	(7,781,865)	(7,228,899)	15,319,546	13,991,246	7,537,681	6,762,347	775,334
Total Net Position	\$65,519,433	\$63,949,198	\$25,817,133	\$24,123,603	\$91,336,566	\$88,072,801	\$3,263,765

For 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. As a result of GASB 68, a new liability of nearly \$27 million was required to be recognized, which ultimately reduced the City's net position by the same amount and distorts the true financial position of the City. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

implementation also had the effect of restating governmental net position at December 31, 2014, from \$85,476,819 to \$63,949,198. Business-type activities were restated from \$25,624,674 to \$24,123,603.

Governmental activities net position makes up 72 percent of the City's total net position. The unrestricted net position of governmental activities decreased in 2015 by \$552,966 while the unrestricted net position of business-type activities increased by \$1,328,300. The total net position of the City as a whole increased by four percent to \$91.3 million.

Table 2 shows the changes in net position for the year ended December 31, 2015 compared to 2014.

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Revenues						
Program Revenues:						
Charges for Services	\$7,338,648	\$7,055,422	\$13,509,919	\$13,755,039	\$20,848,567	\$20,810,461
Operating Grants and Contributions	3,299,247	3,306,043	0	0	3,299,247	3,306,043
Capital Grants and Contributions	1,430,177	935,184	130,110	62,027	1,560,287	997,211
Total Program Revenues	<u>12,068,072</u>	<u>11,296,649</u>	<u>13,640,029</u>	<u>13,817,066</u>	<u>25,708,101</u>	<u>25,113,715</u>
General Revenues:						
Property Taxes	4,873,195	5,328,886	0	0	4,873,195	5,328,886
Other Local Taxes	847,768	828,945	0	0	847,768	828,945
Revenue in Lieu of Taxes	428,715	419,134	0	0	428,715	419,134
Income Taxes	12,345,782	12,118,186	0	0	12,345,782	12,118,186
Grants and Entitlements not Restricted to Specific Programs	1,765,047	968,659	0	0	1,765,047	968,659
Investment Earnings	191,381	442,641	52,369	30,708	243,750	473,349
Other	412,129	580,160	137,812	149,596	549,941	729,756
Total General Revenues	<u>20,864,017</u>	<u>20,686,611</u>	<u>190,181</u>	<u>180,304</u>	<u>21,054,198</u>	<u>20,866,915</u>
Total Revenues	<u>32,932,089</u>	<u>31,983,260</u>	<u>13,830,210</u>	<u>13,997,370</u>	<u>46,762,299</u>	<u>45,980,630</u>
Program Expenses:						
General Government	10,198,666	9,957,291	0	0	10,198,666	9,957,291
Public Safety	14,786,740	14,285,206	0	0	14,786,740	14,285,206
Leisure Time Activities	450,208	404,947	0	0	450,208	404,947
Community Development	2,259,182	4,681,346	0	0	2,259,182	4,681,346
Transportation and Street Repair	3,338,726	3,328,628	0	0	3,338,726	3,328,628
Public Health and Welfare	117,755	116,391	0	0	117,755	116,391
Interest and Fiscal Charges	210,577	214,784	0	0	210,577	214,784
Water	0	0	3,997,386	4,468,043	3,997,386	4,468,043
Sewer	0	0	5,547,509	5,484,171	5,547,509	5,484,171
Sanitation	0	0	2,591,785	2,572,478	2,591,785	2,572,478
Total Expenses	<u>31,361,854</u>	<u>32,988,593</u>	<u>12,136,680</u>	<u>12,524,692</u>	<u>43,498,534</u>	<u>45,513,285</u>
Change in Net Position	1,570,235	(1,005,333)	1,693,530	1,472,678	<u>\$3,263,765</u>	<u>\$467,345</u>
Net Position January 1	<u>63,949,198</u>	N/A	<u>24,123,603</u>	N/A		
Net Position December 31	<u>\$65,519,433</u>	<u>\$63,949,198</u>	<u>\$25,817,133</u>	<u>\$24,123,603</u>		

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,254,667 for governmental activities and \$214,043 for business-type activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,508,484 for governmental activities and \$190,878 for business type activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

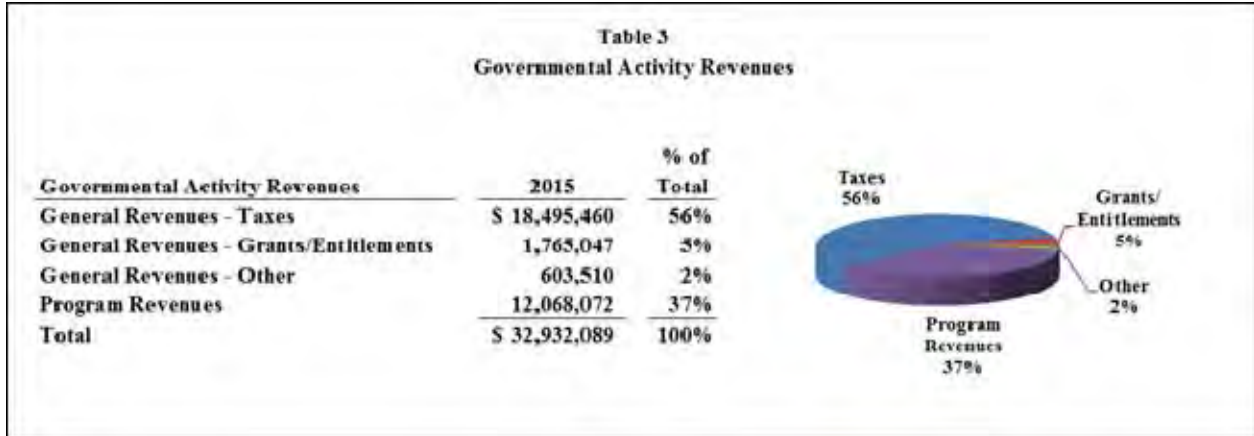
	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$31,361,854	\$12,136,680	\$43,498,534
Pension expense under GASB 68	(2,508,484)	(190,878)	(2,699,362)
2015 contractually required contribution	2,300,265	216,510	2,516,775
Adjusted 2015 program expenses	31,153,635	12,162,312	43,315,947
Total 2014 program expenses under GASB 27	32,988,593	12,524,692	45,513,285
Change in program expenses not related to pension	(\$1,834,958)	(\$362,380)	(\$2,197,338)

There was nearly a \$1 million increase in total governmental activities revenue in 2015, and with a decrease of \$1.6 million in governmental activities expenses, the net position of governmental activities increased \$1.5 million to \$65.5 million. Revenues of the business-type activities exceeded expenses by \$1.7 million and net position increased to \$25.8 million. The total net position of the City as a whole increased in 2015 by \$3.3 million over the prior year.

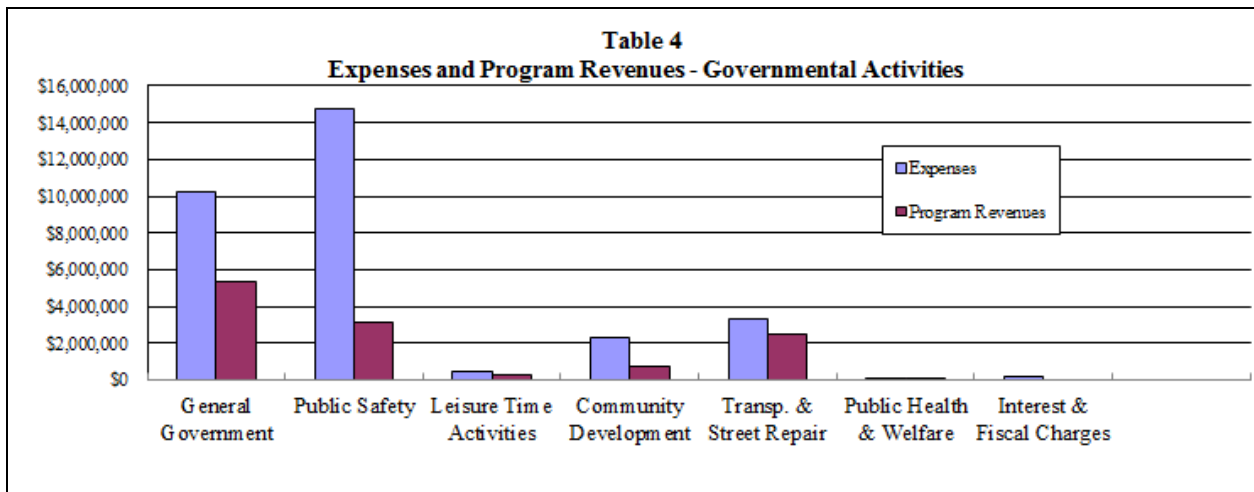
The City's governmental activity expenses are funded partially through program revenues consisting of charges for services and operating and capital grants and contributions. Program revenues increased seven percent in 2015 due mostly from a nearly half a million dollar increase in capital grants and contributions, but still make up only 37 percent of total governmental activity revenues in 2015. 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. While income taxes rose by two percent in 2015, total general revenues increased by less than a percent. 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 56 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.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)



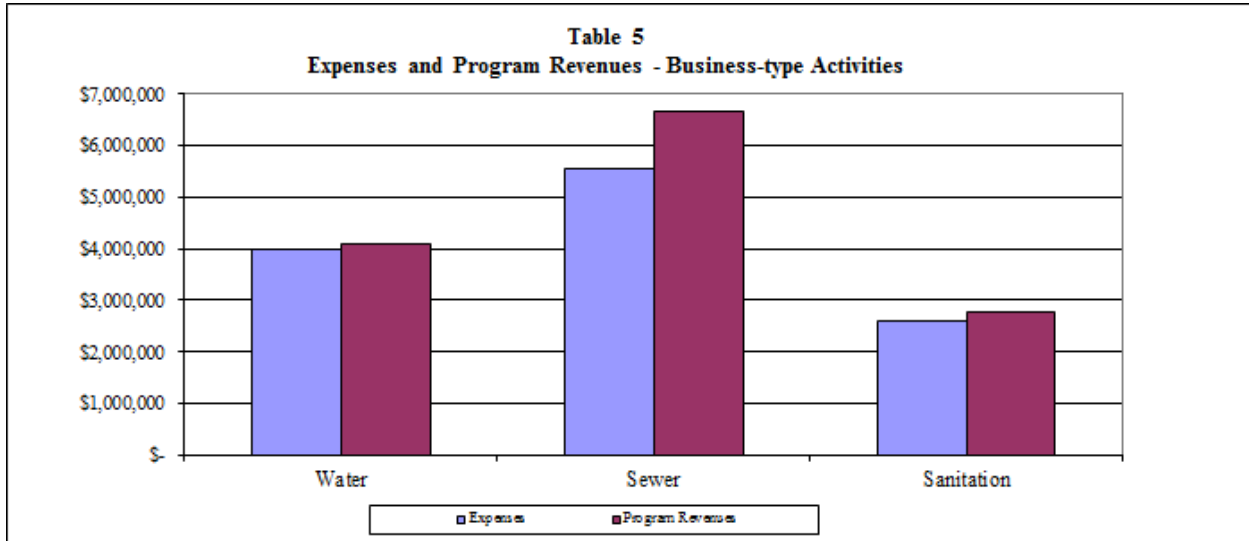
Governmental activity expenses decreased five percent in 2015 and exceeded program revenues by \$19.3 million. However, with an infusion of a total of \$20.9 million of general revenues, the City just realized a \$1.6 million increase in the net position of governmental activities to \$65.5 million at December 31, 2015. Table 4 demonstrates graphically the disparity between governmental activities expenses and the program revenues that are generated to support these services.



Business-type Activities

Business-type activities net position rose seven percent to \$25.8 million. Net position of the City's Water and Sewer Funds constitute 95 percent of the business-type activities net position, with the Sanitation Fund making up the remainder. Business-type activities receive no support from tax revenues. Table 5 summarizes 2015 expenses and program revenues for business-type activities.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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 74 percent of all governmental fund balances and 76 percent of the governmental funds’ total assets of \$32.2 million.

General Fund: General Fund expenditures were five percent greater than the previous year as a two percent cost of living wage increase and a two percent increase in health insurance premiums increased personal services expenditures, which account for approximately sixty percent of expenditures (excluding transfers out). Increases to the amounts transferred out for fire and police operations resulted in an approximate eight percent increase to expenditures and transfers in 2015. General Fund revenues in 2015 were essentially the same as the previous year as the increases in income taxes and charges for services were offset by slight reductions to court fines, property taxes, and investment earnings. As a result, expenditures and other uses exceeded revenues and other sources by \$0.3 million and the General Fund balance dropped to \$10.5 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, 2015 fund balance to \$466,609.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

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 \$2.1 million in 2015, the fourth year of the five year collection period. General Fund transfers-in of \$2.5 million in 2015 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.

Expenditures in 2015 were nearly three percent less than the previous year helped mainly because there were no cost of living wage increases provided to firefighters as the firefighter union chose not to negotiate a new contract for 2015 and the wage scales from 2014 were carried forward.

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 \$2.1 million in 2015.

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 2015 totaling \$4.3 million were \$0.3 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, 2015 fund balance to \$318,213.

County Motor Vehicle Tax Fund: City residents approved a renewal of the ten-year 0.25 percent income tax levy for funding street maintenance, repair, and resurfacing for the years 2015 through 2024. The County Motor Vehicle Tax Fund accounts for the income tax levy revenues, which were \$2 million in 2015, as well as the permissive motor vehicle license taxes, which were \$0.4 million. Expenditures exceeded revenues and the fund balance dropped seven percent to \$2.4 million. Major projects funded in 2015 included phase III of the Dayton-Yellow Springs Road improvements, the Broad Street signal interconnect project, and a continuation of the street resurfacing program.

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 drop \$1.4 million after 2015 operations. However, with actual revenues slightly exceeding amounts budgeted and actual expenditures less than budgeted, the General Fund balance improved to \$9.2 million.

General Fund actual expenditures and other uses were \$0.7 million less than the final budgeted amounts. Of the \$16.8 million in expenditures and other financing uses, 44 percent were expended for general government services which consist of community planning, building inspection, property maintenance code enforcement, parks and recreation, engineering, facility

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

and grounds maintenance, vehicle and equipment maintenance, city administration, finance, human resources, and municipal court operations.

Transfers-out of \$7.4 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; storm water master plan, bikeway connector design; and debt associated with the dispatch center improvements. Transfers to the Fire and EMS Fund (\$2.5 million) and the Police Fund (\$4.3 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.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$15,487,272	\$14,671,551	\$94,542	\$94,542	\$15,581,814	\$14,766,093
Construction in Progress	1,243,113	1,673,089	810,340	1,284,685	2,053,453	2,957,774
Buildings	12,083,386	12,507,117	16,675,229	17,364,223	28,758,615	29,871,340
Improvements Other Than Buildings	890,232	957,877	46,306	82,892	936,538	1,040,769
Machinery and Equipment	1,642,881	1,385,878	657,545	573,149	2,300,426	1,959,027
Vehicles	2,478,333	2,493,339	1,013,839	559,845	3,492,172	3,053,184
Infrastructure	32,470,729	31,843,613	6,225,554	5,409,256	38,696,283	37,252,869
Total	\$66,295,946	\$65,532,464	\$25,523,355	\$25,368,592	\$91,819,301	\$90,901,056

Total capital assets used in governmental activities are one percent greater than the previous year as the value of additions to capital assets were essentially canceled by deletions and depreciation. Construction in progress was \$0.4 million less than the previous year as the value of the Dayton-Yellow Springs Phase III, Spangler Road, and Broad Street signal interconnect projects that were moved to infrastructure was greater than the value of the Fairborn bikeway connector, Fairfield Park Broad Street entrance, and other street projects that were started in 2015 but not completed at year-end. The increase in machinery and equipment was mainly from the acquisition of a court recording system, SCBA airpaks, monitor/defibrillation units, a zero-turn mower and a printer.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

The net effect of all addition, deletions, and depreciation to capital assets used in business-type activities was a one percent increase. Construction in progress in business-type activities was \$0.5 million less in 2015. Construction in progress additions consisted of the Mad River parallel raw water line, Northwest force main and lift station, water treatment plant, and Xenia Drive improvements. Construction in progress deletions consisted of the Spangler Road improvements project. The increase to vehicles included the acquisition of two dump trucks, a pickup truck and transit van. 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 2015 and 2014 long-term debt activity of governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Long-term Notes	\$270,539	\$311,734	\$2,793,746	\$100,459	\$3,064,285	\$412,193
General Obligation Bonds	95,000	200,117	7,212,304	7,334,795	7,307,304	7,534,912
Revenue Bonds	-	-	-	-	-	-
Tax Increment Financing Bonds	1,399,160	1,486,714	-	-	1,399,160	1,486,714
Refunding Bonds	-	-	6,875,214	7,304,937	6,875,214	7,304,937
Special Assessment Bonds	588,831	785,943	80,000	90,000	668,831	875,943
Loans	-	-	8,342	25,028	8,342	25,028
Landfill Closure and Postclosure	-	-	167,352	224,928	167,352	224,928
Capital Leases	65,825	90,631	1,555	60,514	67,380	151,145
Claims Payable	255,033	-	-	-	255,033	-
Compensated Absences Payable	1,245,084	1,183,982	177,641	161,000	1,422,725	1,344,982
Net Pension Liability						
OP&F	19,519,547	18,351,094	-	-	19,519,547	18,351,094
OPERS	5,556,702	5,431,194	1,754,748	1,715,114	7,311,450	7,146,308
Total Net Pension Liability	25,076,249	23,782,288	1,754,748	1,715,114	26,830,997	25,497,402
Totals	\$28,995,721	\$27,841,409	\$19,070,902	\$17,016,775	\$48,066,623	\$44,858,184

Long-term obligations now include the new net pension liabilities per GASB 68. Governmental activity total debt increased by four percent in 2015, due to the inclusion of the net pension liability. All other long-term obligations were reduced in 2015, except for compensated absences payable which increased by five percent. Outstanding business-type activity debt was twelve percent greater than the previous year due to the long-term note issued for the Northwest Force Main Lift Station upgrade project.

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

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.



FAIRBORN

A CITY IN MOTION

City of Fairborn, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$19,768,962	\$18,528,233	\$38,297,195
Property Taxes Receivable	5,023,298	0	5,023,298
Other Local Taxes Receivable	133,259	0	133,259
Municipal Income Taxes Receivable	4,636,292	0	4,636,292
Revenue in Lieu of Taxes Receivable	402,867	0	402,867
Accounts Receivable	353,431	1,242,450	1,595,881
Intergovernmental Receivable	1,474,391	0	1,474,391
Accrued Interest Receivable	62,819	0	62,819
Internal Balances	(330,945)	330,945	0
Special Assessments Receivable	588,914	80,000	668,914
Assets Held for Resale	83,623	0	83,623
Materials and Supplies Inventory	280,239	270,482	550,721
Nondepreciable Capital Assets	16,730,385	904,882	17,635,267
Depreciable Capital Assets, net	49,565,561	24,618,473	74,184,034
<i>Total Assets</i>	<u>98,773,096</u>	<u>45,975,465</u>	<u>144,748,561</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	151,880	151,880
Pension	3,438,029	310,138	3,748,167
<i>Total Deferred Outflows of Resources</i>	<u>3,438,029</u>	<u>462,018</u>	<u>3,900,047</u>
Liabilities:			
Accounts Payable	387,580	263,792	651,372
Contracts Payable	293,646	146,266	439,912
Retainage Payable	20,870	8,920	29,790
Accrued Wages Payable	199,330	28,294	227,624
Intergovernmental Payable	342,994	37,505	380,499
Refundable Deposits	0	247,584	247,584
Accrued Interest Payable	12,802	63,754	76,556
Notes Payable	1,122,198	722,506	1,844,704
Long-Term Liabilities:			
Due Within One Year	1,569,236	758,891	2,328,127
Due in More Than One Year:			
Net Pension Liability (See Note 12)	25,076,249	1,754,748	26,830,997
Other Amounts	2,350,236	16,557,263	18,907,499
<i>Total Liabilities</i>	<u>31,375,141</u>	<u>20,589,523</u>	<u>51,964,664</u>
Deferred Inflows of Resources:			
Property Taxes	4,816,064	0	4,816,064
Revenue in Lieu of Taxes	402,867	0	402,867
Pension	97,620	30,827	128,447
<i>Total Deferred Inflows of Resources</i>	<u>5,316,551</u>	<u>30,827</u>	<u>5,347,378</u>
Net Position:			
Net Investment in Capital Assets	62,817,281	10,497,587	73,314,868
Restricted for Debt Service	823,899	0	823,899
Restricted for Capital Outlay	820,948	0	820,948
Restricted for Public Safety	2,688,045	0	2,688,045
Restricted for Transportation and Street Repair	5,572,160	0	5,572,160
Restricted for Community Development	145,756	0	145,756
Restricted for General Government	433,209	0	433,209
Unrestricted (Deficit)	(7,781,865)	15,319,546	7,537,681
<i>Total Net Position</i>	<u>\$65,519,433</u>	<u>\$25,817,133</u>	<u>\$91,336,566</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$10,198,666	\$4,958,113	\$41,958	\$388,017
Public Safety	14,786,740	2,271,404	837,068	0
Leisure Time Activities	450,208	20,984	0	221,517
Community Development	2,259,182	51,233	725,111	0
Transportation and Street Repair	3,338,726	9,570	1,695,110	820,643
Public Health and Welfare	117,755	27,344	0	0
Interest and Fiscal Charges	210,577	0	0	0
<i>Total Governmental Activities</i>	<u>31,361,854</u>	<u>7,338,648</u>	<u>3,299,247</u>	<u>1,430,177</u>
Business-Type Activities:				
Water	3,997,386	4,104,119	0	71,290
Sewer	5,547,509	6,651,226	0	58,820
Sanitation	2,591,785	2,754,574	0	0
<i>Total Business-Type Activities</i>	<u>12,136,680</u>	<u>13,509,919</u>	<u>0</u>	<u>130,110</u>
<i>Totals</i>	<u>\$43,498,534</u>	<u>\$20,848,567</u>	<u>\$3,299,247</u>	<u>\$1,560,287</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
 Public Safety
Grants and Entitlements not
 Restricted to Specific Programs
Investment Earnings
Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year - Restated (See Note 3)

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>
(\$4,810,578)	\$0	(\$4,810,578)
(11,678,268)	0	(11,678,268)
(207,707)	0	(207,707)
(1,482,838)	0	(1,482,838)
(813,403)	0	(813,403)
(90,411)	0	(90,411)
(210,577)	0	(210,577)
<u>(19,293,782)</u>	<u>0</u>	<u>(19,293,782)</u>
0	178,023	178,023
0	1,162,537	1,162,537
<u>0</u>	<u>162,789</u>	<u>162,789</u>
<u>0</u>	<u>1,503,349</u>	<u>1,503,349</u>
<u>(19,293,782)</u>	<u>1,503,349</u>	<u>(17,790,433)</u>
782,489	0	782,489
2,045,353	0	2,045,353
2,045,353	0	2,045,353
847,768	0	847,768
428,715	0	428,715
8,231,278	0	8,231,278
2,057,256	0	2,057,256
2,057,248	0	2,057,248
1,765,047	0	1,765,047
191,381	52,369	243,750
412,129	137,812	549,941
<u>20,864,017</u>	<u>190,181</u>	<u>21,054,198</u>
1,570,235	1,693,530	3,263,765
<u>63,949,198</u>	<u>24,123,603</u>	<u>88,072,801</u>
<u>\$65,519,433</u>	<u>\$25,817,133</u>	<u>\$91,336,566</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Fire and EMS Fund	Police Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$9,885,153	\$495,064	\$486,204
Receivables:			
Property Taxes	810,098	2,106,600	2,106,600
Other Local Taxes	94,411	0	0
Municipal Income Taxes	3,090,862	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	244,000	0	0
Accounts	0	269,213	0
Special Assessments	0	0	0
Accrued Interest	62,819	0	0
Intergovernmental	506,416	133,538	139,854
Assets Held for Resale	0	0	0
Materials and Supplies Inventory	14,298	0	3,781
<i>Total Assets</i>	<u>\$14,708,057</u>	<u>\$3,004,415</u>	<u>\$2,736,439</u>
Liabilities:			
Accounts Payable	\$231,879	\$26,310	\$4,747
Contracts Payable	91,794	0	0
Retainage Payable	16,860	0	0
Interfund Payable	1,538	12,311	6,957
Accrued Wages Payable	57,274	55,558	59,041
Intergovernmental Payable	82,911	120,403	101,027
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>482,256</u>	<u>214,582</u>	<u>171,772</u>
Deferred Inflows of Resources:			
Property Taxes	772,864	2,021,600	2,021,600
Revenue in Lieu of Taxes	0	0	0
Unavailable Revenue	2,974,870	301,624	224,854
<i>Total Deferred Inflows of Resources</i>	<u>3,747,734</u>	<u>2,323,224</u>	<u>2,246,454</u>
Fund Balances:			
Nonspendable	14,298	0	3,781
Restricted	0	466,609	314,432
Committed	0	0	0
Assigned	983,752	0	0
Unassigned (Deficit)	9,480,017	0	0
<i>Total Fund Balances</i>	<u>10,478,067</u>	<u>466,609</u>	<u>318,213</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$14,708,057</u>	<u>\$3,004,415</u>	<u>\$2,736,439</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,187,972	\$4,914,565	\$18,968,958
0	0	5,023,298
0	38,848	133,259
772,715	772,715	4,636,292
0	402,867	402,867
0	0	244,000
0	84,218	353,431
0	588,914	588,914
0	0	62,819
69,509	625,074	1,474,391
0	83,623	83,623
0	162,490	180,569
<u>\$4,030,196</u>	<u>\$7,673,314</u>	<u>\$32,152,421</u>
\$1,895	\$93,446	\$358,277
75,470	126,382	293,646
1,101	2,909	20,870
0	247,372	268,178
0	18,759	190,632
0	26,154	330,495
3,842	747	4,589
906,125	216,073	1,122,198
<u>988,433</u>	<u>731,842</u>	<u>2,588,885</u>
0	0	4,816,064
0	402,867	402,867
688,377	1,677,656	5,867,381
<u>688,377</u>	<u>2,080,523</u>	<u>11,086,312</u>
0	162,490	180,569
2,353,386	4,160,950	7,295,377
0	119,119	119,119
0	419,469	1,403,221
0	(1,079)	9,478,938
<u>2,353,386</u>	<u>4,860,949</u>	<u>18,477,224</u>
<u>\$4,030,196</u>	<u>\$7,673,314</u>	<u>\$32,152,421</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2015*

Total Governmental Fund Balances	\$18,477,224
<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	15,487,272
Construction in Progress	1,243,113
Buildings	19,763,191
Improvements Other Than Buildings	2,627,539
Machinery and Equipment	5,733,467
Vehicles	6,445,599
Infrastructure	75,867,257
Accumulated Depreciation	<u>(60,871,492)</u>
Total	66,295,946
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	320,647
Capital Assets	(222,380)
Deferred Outflows - Pension	(90,458)
Deferred Inflows - Pension	8,991
Net Pension Liability	511,801
Capital Lease Payable	17,119
Compensated Absences Payable	<u>75,518</u>
Total	621,238
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.	
	(333,864)
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	207,234
Municipal Income Taxes	3,821,449
Intergovernmental	1,019,661
Special Assessments	588,914
Accounts	167,304
Accrued Interest	<u>62,819</u>
Total	5,867,381
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred Outflows - Pension	3,438,029
Net Pension Liability	(25,076,249)
Deferred Inflows - Pension	<u>(97,620)</u>
Total	(21,735,840)
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	
	(8,213)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Notes Payable	(270,000)
General Obligation Bonds	(95,000)
Income Tax Revenue Bonds	(1,365,000)
Special Assessment Bonds	(587,000)
Capital Leases Payable	(65,825)
Compensated Absences Payable	(1,245,084)
Premium on Debt Issued	<u>(36,530)</u>
Total	<u>(3,664,439)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$65,519,433</u></u>

See accompanying notes to the basic financial statements



FAIRBORN

A CITY IN MOTION

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Fire and EMS Fund	Police Fund
Revenues:			
Property Taxes	\$805,591	\$2,113,723	\$2,113,723
Other Local Taxes	680,581	0	0
Municipal Income Taxes	8,111,144	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses, and Permits	1,183,030	1,200	3,340
Charges for Services	3,355,998	1,941,075	47,100
Investment Earnings	103,072	0	0
Intergovernmental	1,035,196	277,191	387,520
Special Assessments	0	0	0
Contributions and Donations	0	0	0
Other	242,596	11,256	13,413
<i>Total Revenues</i>	<u>15,517,208</u>	<u>4,344,445</u>	<u>2,565,096</u>
Expenditures:			
Current:			
General Government	6,484,497	0	0
Public Safety	0	6,487,820	6,481,322
Leisure Time Activities	247,569	0	0
Community Development	1,433,630	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	320,398	0	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	12,320	6,048	0
Interest and Fiscal Charges	1,448	733	0
<i>Total Expenditures</i>	<u>8,499,862</u>	<u>6,494,601</u>	<u>6,481,322</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,017,346</u>	<u>(2,150,156)</u>	<u>(3,916,226)</u>
Other Financing Sources (Uses):			
Notes Issued	0	0	0
Proceeds from Sale of Capital Assets	0	0	1,140
Transfers-In	0	2,526,000	4,296,000
Premium on Debt Issued	0	0	0
Transfers-Out	(7,360,618)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,360,618)</u>	<u>2,526,000</u>	<u>4,297,140</u>
<i>Net Change in Fund Balances</i>	(343,272)	375,844	380,914
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>10,821,339</u>	<u>90,765</u>	<u>(62,701)</u>
<i>Fund Balances at End of Year</i>	<u>\$10,478,067</u>	<u>\$466,609</u>	<u>\$318,213</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$5,033,037
0	167,187	847,768
2,027,223	2,027,215	12,165,582
0	428,715	428,715
9,570	504,225	1,701,365
0	208,671	5,552,844
26,981	54,907	184,960
397,378	3,848,259	5,945,544
0	197,000	197,000
0	11,059	11,059
22,575	122,289	412,129
<u>2,483,727</u>	<u>7,569,527</u>	<u>32,480,003</u>
0	503,448	6,987,945
0	845,975	13,815,117
0	0	247,569
0	826,199	2,259,829
2,098,150	1,136,592	3,234,742
0	117,097	117,097
544,914	3,469,975	4,335,287
0	243,390	243,390
0	697,000	715,368
6,398	211,339	219,918
<u>2,649,462</u>	<u>8,051,015</u>	<u>32,176,262</u>
<u>(165,735)</u>	<u>(481,488)</u>	<u>303,741</u>
0	270,000	270,000
0	3,601	4,741
0	548,918	7,370,918
0	2,155	2,155
0	(10,300)	(7,370,918)
<u>0</u>	<u>814,374</u>	<u>276,896</u>
(165,735)	332,886	580,637
<u>2,519,121</u>	<u>4,528,063</u>	<u>17,896,587</u>
<u>\$2,353,386</u>	<u>\$4,860,949</u>	<u>\$18,477,224</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, 2015*

Net Change in Fund Balances - Total Governmental Funds \$580,637

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	4,331,505
Capital assets donated by developers	444,067
Capital assets transferred from business-type activities	79,283
Depreciation	<u>(3,639,899)</u>

Excess of Capital Outlay and Capital Contributions over Depreciation Expense 1,214,956

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	(4,741)
Loss on Disposal of Capital Assets	<u>(446,733)</u>

Total (451,474)

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	310,000
General Obligation Bonds	105,000
Tax Increment Financing Revenue Bonds	85,000
Special Assessment Bonds	197,000
Capital Leases Payable	<u>24,806</u>

Total 721,806

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	99,969
Capital Assets	(32,051)
Compensated Absences	13,936
Capital Lease Payable	(6,438)
Contractually Required Contributions for Pension	(63,149)
Pension Expense	55,671
Interest and Fiscal Charges	780
Adjustment to business type activities	<u>(37,721)</u>

Total 30,997

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	(159,842)
Municipal Income Taxes	180,200
Investment Earnings	52,053
Charges for Services	84,439
Intergovernmental	45,598
Special Assessments	<u>(197,000)</u>

Total \$5,448

(continued)

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, 2015
(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.		
Notes	(\$270,000)	
Premium on Debt	<u>(2,155)</u>	
Total		(272,155)
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		2,300,265
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.		(2,508,484)
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	3,988	
Amortization of Premium	6,133	
Interest and Fiscal Charges of Internal Service Funds	<u>(780)</u>	
Total		9,341
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>(61,102)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$1,570,235</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$793,071	\$805,591	\$805,591	\$0
Other Local Taxes	680,000	680,000	682,863	2,863
Municipal Income Taxes	8,287,387	8,180,561	8,182,108	1,547
Fines, Licenses and Permits	1,055,500	1,162,100	1,168,905	6,805
Charges for Services	3,344,165	3,320,706	3,355,998	35,292
Investment Earnings	100,000	175,000	200,352	25,352
Intergovernmental	992,010	1,025,969	1,036,629	10,660
Other	176,305	176,305	207,520	31,215
<i>Total Revenues</i>	<u>15,428,438</u>	<u>15,526,232</u>	<u>15,639,966</u>	<u>113,734</u>
Expenditures:				
Current:				
General Government	7,888,354	7,814,124	7,184,010	630,114
Leisure Time Activities	277,449	271,216	265,631	5,585
Community Development	1,407,363	1,536,919	1,512,400	24,519
Capital Outlay	273,792	230,247	214,778	15,469
<i>Total Expenditures</i>	<u>9,846,958</u>	<u>9,852,506</u>	<u>9,176,819</u>	<u>675,687</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,581,480</u>	<u>5,673,726</u>	<u>6,463,147</u>	<u>789,421</u>
Other Financing Sources (Uses):				
Advances-In	0	622,000	647,000	25,000
Advances-Out	(100,000)	(292,000)	(292,000)	0
Transfers-Out	(7,693,700)	(7,362,811)	(7,360,618)	2,193
<i>Total Other Financing Sources (Uses)</i>	<u>(7,793,700)</u>	<u>(7,032,811)</u>	<u>(7,005,618)</u>	<u>27,193</u>
<i>Net Change in Fund Balance</i>	<u>(2,212,220)</u>	<u>(1,359,085)</u>	<u>(542,471)</u>	<u>816,614</u>
<i>Fund Balance at Beginning of Year</i>	8,899,828	8,899,828	8,899,828	0
<i>Prior Year Encumbrances Appropriated</i>	<u>815,724</u>	<u>815,724</u>	<u>815,724</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,503,332</u></u>	<u><u>\$8,356,467</u></u>	<u><u>\$9,173,081</u></u>	<u><u>\$816,614</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)
Fire and EMS Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$2,116,755	\$2,115,728	\$2,113,723	(\$2,005)
Fines, Licenses and Permits	1,200	1,200	1,200	0
Charges for Services	1,987,410	1,987,410	1,938,065	(49,345)
Intergovernmental	261,257	274,038	317,998	43,960
Other	0	0	11,256	11,256
<i>Total Revenues</i>	4,366,622	4,378,376	4,382,242	3,866
Expenditures:				
Current:				
Public Safety	7,174,760	7,042,997	6,898,694	144,303
<i>Excess of Revenues Under Expenditures</i>	(2,808,138)	(2,664,621)	(2,516,452)	148,169
Other Financing Sources:				
Transfers-In	2,665,000	2,526,000	2,526,000	0
<i>Net Change in Fund Balance</i>	(143,138)	(138,621)	9,548	148,169
<i>Fund Balance at Beginning of Year</i>	151,221	151,221	151,221	0
<i>Prior Year Encumbrances Appropriated</i>	144,915	144,915	144,915	0
<i>Fund Balance at End of Year</i>	\$152,998	\$157,515	\$305,684	\$148,169

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,116,755	\$2,112,594	\$2,113,723	\$1,129
Fines, Licenses and Permits	1,200	2,200	3,340	1,140
Charges for Services	35,000	38,027	47,100	9,073
Intergovernmental	378,161	375,595	387,620	12,025
Other	9,214	11,914	13,413	1,499
<i>Total Revenues</i>	<u>2,540,330</u>	<u>2,540,330</u>	<u>2,565,196</u>	<u>24,866</u>
Expenditures:				
Current:				
Public Safety	7,092,249	6,960,170	6,800,396	159,774
<i>Excess of Revenues Under Expenditures</i>	<u>(4,551,919)</u>	<u>(4,419,840)</u>	<u>(4,235,200)</u>	<u>184,640</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	0	1,140	1,140
Transfers-In	4,460,000	4,296,000	4,296,000	0
<i>Total Other Financing Sources</i>	<u>4,460,000</u>	<u>4,296,000</u>	<u>4,297,140</u>	<u>1,140</u>
<i>Net Change in Fund Balance</i>	(91,919)	(123,840)	61,940	185,780
<i>Fund Balance at Beginning of Year</i>	220,827	220,827	220,827	0
<i>Prior Year Encumbrances Appropriated</i>	92,017	92,017	92,017	0
<i>Fund Balance at End of Year</i>	<u>\$220,925</u>	<u>\$189,004</u>	<u>\$374,784</u>	<u>\$185,780</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal Income Taxes	\$2,071,847	\$2,071,847	\$2,044,914	(\$26,933)
Fines, Licenses and Permits	0	0	9,570	9,570
Investment Earnings	5,000	5,000	26,981	21,981
Intergovernmental	1,060,000	1,060,000	745,223	(314,777)
Other	0	0	22,575	22,575
<i>Total Revenues</i>	<u>3,136,847</u>	<u>3,136,847</u>	<u>2,849,263</u>	<u>(287,584)</u>
Expenditures:				
Current:				
Transportation and Street Repair	562,729	759,680	734,717	24,963
Capital Outlay	3,848,905	3,767,520	3,723,117	44,403
Debt Service:				
Principal Retirements	0	900,600	900,600	0
Interest and Fiscal Charges	0	13,052	13,052	0
<i>Total Expenditures</i>	<u>4,411,634</u>	<u>5,440,852</u>	<u>5,371,486</u>	<u>69,366</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,274,787)</u>	<u>(2,304,005)</u>	<u>(2,522,223)</u>	<u>(218,218)</u>
Other Financing Sources:				
Notes Issued	0	900,600	900,600	0
Premium on Debt Issued	0	7,367	7,367	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>907,967</u>	<u>907,967</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,274,787)	(1,396,038)	(1,614,256)	(218,218)
<i>Fund Balance at Beginning of Year</i>	1,998,439	1,998,439	1,998,439	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,325,655</u>	<u>1,325,655</u>	<u>1,325,655</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,049,307</u>	<u>\$1,928,056</u>	<u>\$1,709,838</u>	<u>(\$218,218)</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,245,677	\$13,039,293	\$995,679	\$18,280,649	\$800,004
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	82,528	82,528	82,528	247,584	0
Accounts Receivable	338,850	596,594	307,006	1,242,450	0
Interfund Receivable	0	0	0	0	27,113
Special Assessments Receivable	0	80,000	0	80,000	0
Intergovernmental Receivables	0	0	0	0	0
Materials and Supplies Inventory	201,506	68,976	0	270,482	99,670
<i>Total Current Assets</i>	<u>4,868,561</u>	<u>13,867,391</u>	<u>1,385,213</u>	<u>20,121,165</u>	<u>926,787</u>
Non-current Assets					
Nondepreciable Capital Assets	298,584	606,298	0	904,882	0
Depreciable Capital Assets, Net	8,388,994	16,194,222	35,257	24,618,473	222,380
<i>Total Non-current Assets</i>	<u>8,687,578</u>	<u>16,800,520</u>	<u>35,257</u>	<u>25,523,355</u>	<u>222,380</u>
<i>Total Assets</i>	<u>13,556,139</u>	<u>30,667,911</u>	<u>1,420,470</u>	<u>45,644,520</u>	<u>1,149,167</u>
Deferred Outflows of Resources:					
Deferred Charge on Refunding Pension	59,233	92,647	0	151,880	0
	142,147	155,069	12,922	310,138	90,458
<i>Total Deferred Outflows of Resources</i>	<u>201,380</u>	<u>247,716</u>	<u>12,922</u>	<u>462,018</u>	<u>90,458</u>
Liabilities:					
Current Liabilities					
Accounts Payable	58,249	49,910	155,633	263,792	29,303
Contracts Payable	8,544	137,722	0	146,266	0
Retainage Payable	0	8,920	0	8,920	0
Claims Payable	0	0	0	0	178,237
Accrued Wages Payable	12,955	13,679	1,660	28,294	8,698
Intergovernmental Payable	17,116	18,602	1,787	37,505	12,499
Interfund Payable	2,057	831	31	2,919	16
Notes Payable	722,506	0	0	722,506	0
Accrued Interest Payable	10,935	52,819	0	63,754	0
General Obligation Bonds Payable	230,200	324,800	0	555,000	0
Landfill Postclosure Costs Payable	0	0	55,784	55,784	0
Capital Lease Payable	605	0	0	605	6,668
Special Assessment Bonds Payable	0	10,000	0	10,000	0
OPWC Loans Payable	8,342	0	0	8,342	0
Compensated Absences Payable	45,334	76,903	6,923	129,160	58,558
<i>Total Current Liabilities</i>	<u>\$1,116,843</u>	<u>\$694,186</u>	<u>\$221,818</u>	<u>\$2,032,847</u>	<u>\$293,979</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015
(Continued)

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Long-Term Liabilities					
Refundable Deposits	\$82,528	\$82,528	\$82,528	\$247,584	\$0
Notes Payable	0	2,793,746	0	2,793,746	0
General Obligation Bonds Payable	3,791,681	9,740,837	0	13,532,518	0
Special Assessment Bonds Payable	0	70,000	0	70,000	0
Claims Payable	0	0	0	0	76,796
Landfill Postclosure Costs Payable	0	0	111,568	111,568	0
Capital Lease Payable	950	0	0	950	10,451
Compensated Absences Payable	14,748	33,386	347	48,481	16,960
Net Pension Liability	804,260	877,374	73,114	1,754,748	511,801
<i>Total Long-Term Liabilities</i>	<u>4,694,167</u>	<u>13,597,871</u>	<u>267,557</u>	<u>18,559,595</u>	<u>616,008</u>
<i>Total Liabilities</i>	<u>5,811,010</u>	<u>14,292,057</u>	<u>489,375</u>	<u>20,592,442</u>	<u>909,987</u>
Deferred Inflows of Resources:					
Pension	14,129	15,414	1,284	30,827	8,991
Net Position:					
Net Investment in Capital Assets	4,038,494	6,423,836	35,257	10,497,587	205,261
Unrestricted	3,893,886	10,184,320	907,476	14,985,682	115,386
<i>Total Net Position</i>	<u>\$7,932,380</u>	<u>\$16,608,156</u>	<u>\$942,733</u>	<u>25,483,269</u>	<u>\$320,647</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>333,864</u>	
Net Position of Business-Type Activities				<u>\$25,817,133</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, 2015

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Operating Revenues:					
Charges for Services	\$4,104,119	\$6,651,132	\$2,754,574	\$13,509,825	\$4,261,923
Other	133,873	4,033	0	137,906	7,907
<i>Total Operating Revenues</i>	<u>4,237,992</u>	<u>6,655,165</u>	<u>2,754,574</u>	<u>13,647,731</u>	<u>4,269,830</u>
Operating Expenses:					
Personal Services	1,225,218	1,287,359	154,707	2,667,284	829,981
Contractual Services	1,884,213	2,670,993	2,412,179	6,967,385	777,730
Materials and Supplies	241,218	234,068	11,624	486,910	704,765
Claims	0	0	0	0	1,815,726
Depreciation	556,907	965,788	19,291	1,541,986	43,450
<i>Total Operating Expenses</i>	<u>3,907,556</u>	<u>5,158,208</u>	<u>2,597,801</u>	<u>11,663,565</u>	<u>4,171,652</u>
<i>Operating Income</i>	<u>330,436</u>	<u>1,496,957</u>	<u>156,773</u>	<u>1,984,166</u>	<u>98,178</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	11,942	40,427	0	52,369	2,571
Interest and Fiscal Charges	(104,619)	(406,217)	0	(510,836)	(780)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(92,677)</u>	<u>(365,790)</u>	<u>0</u>	<u>(458,467)</u>	<u>1,791</u>
<i>Income Before Capital Contributions</i>	237,759	1,131,167	156,773	1,525,699	99,969
Capital Contributions	71,290	58,820	0	130,110	0
<i>Change in Net Position</i>	309,049	1,189,987	156,773	1,655,809	99,969
<i>Net Position at Beginning of Year</i>					
- Restated (See Note 3)	<u>7,623,331</u>	<u>15,418,169</u>	<u>785,960</u>		<u>220,678</u>
<i>Net Position at End of Year</i>	<u>\$7,932,380</u>	<u>\$16,608,156</u>	<u>\$942,733</u>		<u>\$320,647</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i>				<u>37,721</u>	
<i>Change in net position of business-type activities</i>				<u>\$1,693,530</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, 2015

	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	\$4,170,399	\$6,778,362	\$2,807,729	\$13,756,490	\$0
Cash Received From Interfund Services Provided	0	0	0	0	4,264,266
Cash Received From Other Operating Revenues	133,873	4,033	0	137,906	6,278
Cash Payments for Claims	0	0	0	0	(1,560,693)
Cash Payments for Employee Services and Benefits	(1,269,905)	(1,340,398)	(159,040)	(2,769,343)	(862,204)
Cash Payments to Suppliers	(2,177,957)	(2,913,024)	(2,507,291)	(7,598,272)	(1,448,427)
<i>Net Cash Provided by Operating Activities</i>	<u>856,410</u>	<u>2,528,973</u>	<u>141,398</u>	<u>3,526,781</u>	<u>399,220</u>
Cash Flows Provided by (Used For) Capital and Related Financing Activities:					
Cash Received from Special Assessments	0	14,050	0	14,050	0
Acquisition of Capital Assets	(1,063,726)	(633,022)	0	(1,696,748)	(75,501)
Note Proceeds	718,100	2,788,900	0	3,507,000	0
Note Premiums	5,874	19,383	0	25,257	0
Notes Principal Payments	(718,100)	(100,000)	0	(818,100)	0
Notes Interest Payments	(8,056)	(2,243)	0	(10,299)	0
General Obligation Bond Principal Payments	0	(125,000)	0	(125,000)	0
General Obligation Bond Interest Payments	0	(317,261)	0	(317,261)	0
Refunding Bonds Principal Payments	(228,250)	(191,750)	0	(420,000)	0
Refunding Bonds Interest Payments	(100,243)	(66,925)	0	(167,168)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(4,050)	0	(4,050)	0
Loans Payable Principal Payments	(16,686)	0	0	(16,686)	0
Capital Lease Principal Payments	(583)	(58,376)	0	(58,959)	(6,438)
Capital Lease Interest Payments	(71)	(2,221)	0	(2,292)	(780)
Capital Contributions by Customers	71,290	58,820	0	130,110	0
<i>Net Cash Provided By (Used for) Capital and Related Financing Activities</i>	<u>(1,340,451)</u>	<u>1,370,305</u>	<u>0</u>	<u>29,854</u>	<u>(82,719)</u>
Cash Flows from Investing Activities:					
Interest	11,942	36,377	0	48,319	2,571
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(472,099)	3,935,655	141,398	3,604,954	319,072
<i>Cash and Cash Equivalents at Beginning of Year</i>	4,800,304	9,186,166	936,809	14,923,279	480,932
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$4,328,205</u>	<u>\$13,121,821</u>	<u>\$1,078,207</u>	<u>\$18,528,233</u>	<u>\$800,004</u>

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(Continued)

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	\$330,436	\$1,496,957	\$156,773	\$1,984,166	\$98,178
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	556,907	965,788	19,291	1,541,986	43,450
Landfill Closure and Postclosure Costs	0	0	(57,576)	(57,576)	0
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	33,323	96,330	22,224	151,877	0
(Increase) Decrease in Materials and Supplies Inventory	(25,818)	(1,778)	0	(27,596)	38,105
Decrease in Interfund Receivable	0	0	0	0	724
Decrease in Deferred Outflows of Resources - Pension	9,598	10,470	874	20,942	6,107
Increase (Decrease) in Accounts Payable	(2,657)	(99,852)	2,422	(100,087)	(12,315)
Increase in Claims Payable	0	0	0	0	255,033
Increase in Contracts Payable	8,544	115,953	0	124,497	0
Increase (Decrease) in Retainage Payable	(986)	8,920	0	7,934	0
(Decrease) in Accrued Wages Payable	(26,742)	(29,703)	(3,786)	(60,231)	(20,429)
(Decrease) in Intergovernmental Payable	(14,901)	(18,111)	(1,166)	(34,178)	(9,974)
Increase in Refundable Deposits Payable	2,675	2,675	2,675	8,025	0
(Decrease) in Interfund Payable	(1,327)	(1,640)	(78)	(3,045)	(10)
Increase in Compensated Absences Payable	8,704	6,251	1,686	16,641	13,936
(Decrease) in Net Pension Liability	(14,827)	(16,175)	(1,348)	(32,350)	(9,436)
(Decrease) in Deferred Inflows of Resources - Pension	(6,519)	(7,112)	(593)	(14,224)	(4,149)
Net Cash Provided by Operating Activities	<u>\$856,410</u>	<u>\$2,528,973</u>	<u>\$141,398</u>	<u>\$3,526,781</u>	<u>\$399,220</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Net Position
Agency Fund
December 31, 2015

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$267,403</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$267,403</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, 2015

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 two 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, 2015

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
Jefferson Health Plan

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, 2015

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, 2015

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 and report the operation of the City's water service.

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

Sanitation Fund – The Sanitation Fund is used to account for and report 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, employee assistance programs associated with employee health benefits, and Jefferson Health Plan associated with employee health and prescription drug 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 has two fiduciary funds which are agency funds that are used to account for monies that flow through the clerk of court's office as well as fire insurance proceeds.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 deferred inflows of resources and all liabilities and deferred outflows of resources 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

available. “Measurable” means the amount of the transaction can be determined and “available” 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 and pension reported in the government-wide statement of net position. The deferred outflows of resources related to pension are explained in Note 12. 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, revenue in lieu of taxes, pension, 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, 2015, but which were levied to finance 2016 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 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. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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 2015, 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 2015 amounted to \$103,072, which includes \$76,265 assigned from other funds.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.”

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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:

<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.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 and net pension liability 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.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

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 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position December 31, 2014	\$85,476,819	\$25,624,674
Adjustments:		
Net Pension Liability	(23,782,288)	(1,715,114)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>2,254,667</u>	<u>214,043</u>
Restated Net Position December 31, 2014	<u>\$63,949,198</u>	<u>\$24,123,603</u>

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total Enterprise Funds</u>
Net position December 31, 2014	\$8,311,322	\$16,168,704	\$848,505	\$25,328,531
Adjustments:				
Net Pension Liability	(786,094)	(857,557)	(71,463)	(1,715,114)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>98,103</u>	<u>107,022</u>	<u>8,918</u>	<u>214,043</u>
Restated Net Position December 31, 2014	<u>\$7,623,331</u>	<u>\$15,418,169</u>	<u>\$785,960</u>	23,827,460
			Internal Activity	<u>296,143</u>
			Restated Net Position December 31, 2014	<u>\$24,123,603</u>

	<u>Equipment Fund</u>	<u>Information Technology Fund</u>	<u>Employee Assistance Program Fund</u>	<u>Total Internal Service Funds</u>
Net position December 31, 2014	\$344,530	\$162,481	\$151,479	\$658,490
Adjustments:				
Net Pension Liability	(285,852)	(214,389)	0	(500,241)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>35,674</u>	<u>26,755</u>	<u>0</u>	<u>62,429</u>
Restated Net Position (Deficit) December 31, 2014	<u>\$94,352</u>	<u>(\$25,153)</u>	<u>\$151,479</u>	<u>\$220,678</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Accountability

At December 31, 2015, the Victims Assistance Justice Assistance Grant Fund had a deficit fund balance of \$1,079.

The General Fund is liable for the deficit in this fund 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 special revenue fund is classified to the General Fund for GAAP Reporting.
7. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Fund
GAAP Basis	(\$343,272)	\$375,844	\$380,914	(\$165,735)
Revenue Accruals	107,798	37,797	100	1,273,503
Expenditure Accruals	(90,678)	(214,713)	(207,654)	(1,243,890)
Encumbrances	(625,024)	(189,380)	(111,420)	(1,478,134)
Change in Fair Value of Investments - 2015	59,523	0	0	0
Change in Fair Value of Investments - 2014	2,649	0	0	0
Agency Fund Allocation - 2015	(90,781)	0	0	0
Agency Fund Allocation - 2014	78,645	0	0	0
Excess of revenues under expenditures for Uninsured Loss Fund	3,669	0	0	0
Advances	355,000	0	0	0
Budget Basis	<u>(\$542,471)</u>	<u>\$9,548</u>	<u>\$61,940</u>	<u>(\$1,614,256)</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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Interim monies may be deposited or invested in the following securities:

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.

At December 31, 2015, the City's Self Insurance – Jefferson Health Plan internal service fund had a \$341,617 balance with Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool (See Note 22). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the City. Disclosures for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County Educational Service Center, Steubenville, Ohio 43952.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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:

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, 2015, 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	\$5,001,180	\$5,001,180	Aaa	16.57%
Federal Home Loan Bank Mortgage Notes	23,183,868	23,183,868	Aaa	76.81%
Federal Home Loan Bank Mortgage Bonds	1,997,860	1,997,860	Aaa	6.62%
	<u>\$30,182,908</u>	<u>\$30,182,908</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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 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.

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 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$11.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$498,165,380
Public Utility Personal	14,621,720
Totals	<u><u>\$512,787,100</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 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.

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 2015, 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, 2015 and expiring December 31, 2024, 1/4 percent is for the purpose of providing fire, police and emergency medical services 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, 2015, 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 \$445,349, and in the Sewer Fund in the amount is \$65,950. The City has \$41,780 of delinquent special assessments at December 31, 2015.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amount
Local Government	\$401,851
Homestead Exemption and Rollbacks	319,175
Gasoline Tax	457,614
Motor Vehicle Tax	143,652
CDBG Grant	43,924
Bulletproof Vest Partnership Grant	789
VOCA Grant	9,963
Victim Witness Grant	2,867
ODOT Grant	17,734
Jail Diversion Grant	31,347
Drug Abuse Resistance Education Grant	6,316
City of Beavercreek	21,119
Greene County	18,040
Total Governmental Funds	\$1,474,391

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, 2015 with a corresponding credit to deferred inflows of resources-revenue in lieu of taxes.

Note 10 – Capital Assets

Changes in general capital assets for the year ended December 31, 2015, were as follows:

	Balance at 12/31/2014	Additions	Deletions	Balance at 12/31/2015
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$14,671,551	\$815,721	\$0	\$15,487,272
Construction in Progress	1,673,089	1,782,659	(2,212,635)	1,243,113
Total Capital Assets, Not Being Depreciated	16,344,640	2,598,380	(2,212,635)	16,730,385

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Balance at 12/31/2014	Additions	Deletions	Balance at 12/31/2015
Governmental Activities:				
Depreciable Capital Assets:				
Buildings	19,713,641	49,550	0	19,763,191
Improvements Other Than Buildings	2,588,731	38,808	0	2,627,539
Machinery and Equipment	5,149,874	679,021	(95,428)	5,733,467
Vehicles	6,129,513	393,082	(76,996)	6,445,599
Infrastructure	73,753,846	3,308,649	(1,195,238)	75,867,257
Total Depreciable Capital Assets	<u>107,335,605</u>	<u>4,469,110</u>	<u>(1,367,662)</u>	<u>110,437,053</u>
Less Accumulated Depreciation:				
Buildings	(7,206,524)	(473,281)	0	(7,679,805)
Improvements Other Than Buildings	(1,630,854)	(106,453)	0	(1,737,307)
Machinery and Equipment	(3,763,996)	(409,016)	82,426	(4,090,586)
Vehicles	(3,636,174)	(405,054)	73,962	(3,967,266)
Infrastructure	(41,910,233)	(2,246,095)	759,800	(43,396,528)
Total Accumulated Depreciation	<u>(58,147,781)</u>	<u>(3,639,899)</u>	<u>916,188</u>	<u>(60,871,492)</u>
Depreciable Capital Assets, Net	<u>49,187,824</u>	<u>829,211</u>	<u>(451,474)</u>	<u>49,565,561</u>
Governmental Activities Capital Assets, Net	<u>\$65,532,464</u>	<u>\$3,427,591</u>	<u>(\$2,664,109)</u>	<u>\$66,295,946</u>

Additions to capital assets being depreciated include \$444,067 in assets donated by developers and transfers of fully depreciated assets of \$79,283 from business-type activities to governmental activities for the year ended December 31, 2015.

Depreciation expense was charged to governmental programs as follows:

General Government	\$2,608,089
Public Safety	692,010
Leisure Time Activity	202,856
Community Development	20,490
Transportation and Street Repair	116,454
Total Depreciation Expense	<u>\$3,639,899</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Capital assets activities of the business-type activities for the year ended December 31, 2015, was as follows:

	Balance at 12/31/2014	Additions	Deletions	Balance at 12/31/2015
<u>Business-type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$94,542	\$0	\$0	\$94,542
Construction in Progress	1,284,685	732,841	(1,207,186)	810,340
Total Capital Assets, Not Being Depreciated	<u>1,379,227</u>	<u>732,841</u>	<u>(1,207,186)</u>	<u>904,882</u>
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	5,579,176	600,387	(52,311)	6,127,252
Vehicles	1,535,262	206,853	(42,591)	1,699,524
Infrastructure	23,190,024	1,363,854	0	24,553,878
Total Depreciable Capital Assets	<u>59,629,716</u>	<u>2,171,094</u>	<u>(94,902)</u>	<u>61,705,908</u>
Less Accumulated Depreciation:				
Buildings	(9,979,217)	(688,994)	0	(10,668,211)
Improvements Other Than Buildings	(1,898,922)	(36,586)	0	(1,935,508)
Machinery and Equipment	(5,006,027)	(146,393)	52,311	(5,100,109)
Vehicles	(975,417)	(122,457)	42,591	(1,055,283)
Infrastructure	(17,780,768)	(547,556)	0	(18,328,324)
Total Accumulated Depreciation	<u>(35,640,351)</u>	<u>(1,541,986)</u>	<u>94,902</u>	<u>(37,087,435)</u>
Depreciable Capital Assets, Net	<u>23,989,365</u>	<u>629,108</u>	<u>0</u>	<u>24,618,473</u>
Business-type Activities Capital Assets, Net	<u>\$25,368,592</u>	<u>\$1,361,949</u>	<u>(\$1,207,186)</u>	<u>\$25,523,355</u>

Deductions to capital assets being depreciated include fully depreciated assets of \$79,283 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, 2015

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, 2015 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, 2015 and 2014:

<u>Casualty and Property Coverage</u>	<u>2015</u>	<u>2014</u>
Assets	\$38,307,677	\$35,402,177
Liabilities	<u>12,759,127</u>	<u>12,363,257</u>
Net Position - Unrestricted	<u>\$25,548,550</u>	<u>\$23,038,920</u>
Unpaid Claims to be Billed in the Future	\$11.0 million	\$10.8 million
Number of Members	499	488

The unpaid claims to be billed in the future 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 \$186,000. This payable includes the subsequent year's contribution due if the City terminates participation, as described 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>
2013	\$230,448
2014	232,822
2015	239,314

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 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.

The City provides health insurance to its employees through a self-insurance plan. The City pays \$538 per month for eligible employees electing single coverage and \$1,560 for eligible employees electing family coverage, with the employees paying \$113 per month for single coverage, and \$328 per month for family coverage. The City participated in the Jefferson Health Plan during 2015. Jefferson Health Plan administers the health insurance plan.

	Balance at January 1,	Current Year Claims	Claim Payments	Balance at December 31,
2015	\$0	\$1,815,726	\$1,560,693	\$255,033

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0%	16.1%	16.1%
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$902,127 for 2015. Of this amount, \$78,642 is reported as an intergovernmental payable.

Plan Description – Ohio Police and Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. 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 and detailed information about OPF fiduciary net position. 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. Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
 Total Employer	 19.50%	 24.00%
 Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,614,648 for 2015. Of this amount \$139,805 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,311,450	\$19,519,547	\$26,830,997
Proportion of the Net Pension Liability	0.060620%	0.376795%	
Pension Expense	\$795,321	\$1,904,041	\$2,699,362

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$390,118	\$841,274	\$1,231,392
City contributions subsequent to the measurement date	902,127	1,614,648	2,516,775
Total Deferred Outflows of Resources	<u>\$1,292,245</u>	<u>\$2,455,922</u>	<u>\$3,748,167</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$128,447</u>	<u>\$0</u>	<u>\$128,447</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

\$2,516,775 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2016	\$38,263	\$210,319	\$248,582
2017	38,263	210,319	248,582
2018	87,614	210,319	297,933
2019	97,531	210,317	307,848
Total	\$261,671	\$841,274	\$1,102,945

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00%</u>	<u>5.28%</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$13,450,972	\$7,311,450	\$2,140,492

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$26,998,486	\$19,519,547	\$13,187,159

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.

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The City's contribution allocated to fund post-employment healthcare benefits for the years ended December 31, 2015, 2014, and 2013 was \$50,354, \$148,642, and \$72,618, respectively. For 2015, 91.04 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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 post-employment healthcare plan administered by OPF. OPF provides health care 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 health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment 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 health care 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 to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care 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 health care 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 contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$16,074 and \$20,039 for the year ended December 31, 2015, \$16,405 and \$20,659 for the year ended December 31, 2014, and \$75,896 and \$101,420 for the year ended December 31, 2013. For 2015, 86.72 percent has been contributed for police and 94.06 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

Effective March 1, 2015, the City joined the Jefferson Health Plan consortium for the administration of the health insurance plan. The Jefferson Health Plan enables eligible employers to provide individually designed benefit programs to their employees while being able to enjoy the cost-saving advantages of group purchasing through the consortium. The fiscal agent for the consortium is the Jefferson County Educational Service Center. In its capacity as fiscal agent, the Jefferson County Educational Service Center has engaged the services of outside auditors to maintain the accuracy and integrity of the financial records of the consortium, including monthly financial reports provided to individual member organization. Individual member organizations have the capability to monitor their financial activities daily.

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 energy conservation improvements and a sewer jet truck. The original amount of the energy conservation lease was for \$1,045,901 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 since the benefits and risks of ownership are transferred 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Capital assets acquired by leases have been capitalized in the amount of \$232,018 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 2015 totaled \$24,806 in governmental activities and \$58,959 in business-type activities.

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Depreciation</u>	<u>December 31, 2015</u>
Asset:			
Governmental Activities			
Machinery and Equipment	\$232,018	(\$166,279)	\$65,739
Business-type Activities			
Machinery and Equipment	\$5,469	(\$3,920)	\$1,549
Vehicles	281,571	(157,211)	124,360
Total Business-type Funds	\$287,040	(\$161,131)	\$125,909

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, 2015.

	<u>Governmental Activities</u>	<u>Business- type Activities</u>
December 31,		
2016	\$27,766	\$654
2017	27,766	654
2018	13,881	330
Total	69,413	1,638
Less: Amount Representing Interest	(3,588)	(83)
Present Value of Minimum Lease Payments	\$65,825	\$1,555

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 \$808,413 being considered an operating lease. The lease commenced on May 27, 2008 and ends May 27, 2018. Operating lease payments made during 2015 were \$96,741.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The future minimum lease payments are as follows:

December 31,	Payment Total
2016	\$96,741
2017	96,741
2018	48,371
Total	\$241,853

Note 17 – Short-Term Obligations

Changes in short-term obligations during 2015 were as follows:

Types/Issues	Balance at 12/31/2014	Increases	Decreases	Balance at 12/31/2015
<u>Governmental Activities:</u>				
2014 Various Purpose Bond Anticipation Note Series A	\$67,500	\$0	\$67,500	\$0
2015 Various Purpose Bond Anticipation Note Series A	0	40,000	0	40,000
2014 Various Purpose Bond Anticipation Note Series B (Spangler Street)	900,600	0	900,600	0
Premium	5,539	0	5,539	0
2015 Various Purpose Bond Anticipation Note Series B (Spangler Street)	0	900,600	0	900,600
Premium	0	7,367	1,842	5,525
2015 Various Purpose Bond Anticipation Note Series B (2016 Curb & Sidewalk)	0	175,000	0	175,000
Premium	0	1,431	358	1,073
 Total Governmental Funds	 \$973,639	 \$1,124,398	 \$975,839	 \$1,122,198
 <u>Business Activities:</u>				
2014 Various Purpose Bond Anticipation Note Series B (Spangler Street)	\$718,100	\$0	\$718,100	\$0
Premium	4,416	0	4,416	0
2015 Various Purpose Bond Anticipation Note Series B (Spangler Street)	0	718,100	0	718,100
Premium	0	5,874	1,468	4,406
 Total Business-type Activities	 \$722,516	 \$723,974	 \$723,984	 \$722,506

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 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 matured on September 10, 2015. The notes were paid from the county motor vehicle license tax 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 matured on September 10, 2015. The notes were paid from the water fund with service charges.

On March 25, 2015 the City issued \$40,000 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2014 various purpose bond anticipation notes. The notes were issued at 1.00 percent and matured on March 24, 2016. The notes will be paid from the general capital improvement fund.

On September 10, 2015 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 1.375 percent and matured on September 9, 2016. The notes will be paid from the county motor vehicle license tax special revenue fund and the special assessment construction capital projects fund, respectively.

On September 10, 2015 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 1.375 percent and matured on September 9, 2016. The notes will be paid from the water fund with service charges.

On September 10, 2015 the City issued \$175,000 in various purpose bond anticipation notes series B. The notes were issued for curb and sidewalk improvements. The notes were issued at 1.375 percent and matured on September 9, 2016. The notes will be paid from the special assessment construction fund with service charges.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 18 – Long-Term Obligations

The summary of changes in long-term obligations of the governmental activities of the City during 2015 follows:

<u>Types/Issues</u>	<u>Balance at 12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/2015</u>	<u>Due Within One Year</u>
<u>Notes Payable:</u>					
2014 2.25% - Various Purpose Bond Anticipation					
Notes Series A (Police)	\$310,000	\$0	\$310,000	\$0	\$0
Premium	1,734	0	1,734	0	0
2015 1.00% - Various Purpose Bond Anticipation					
Notes Series A (Police)	0	270,000	0	270,000	0
Premium	0	2,155	1,616	539	0
Total Notes Payable	311,734	272,155	313,350	270,539	0
<u>Unvoted General Obligation Bonds:</u>					
2003 3.50 to 4.75% Municipal Court					
Building Renovations \$455,000	190,000	0	95,000	95,000	95,000
2010 2.00 to 2.25% Curb and Sidewalk \$45,000					
Premium	117	0	117	0	0
Total Unvoted General Obligation Bonds	200,117	0	105,117	95,000	95,000
<u>Tax Increment Financing Revenue Bonds:</u>					
2013 1.5-3% Various Purpose					
Revenue Bonds (TIF)	1,450,000	0	85,000	1,365,000	85,000
Premium	36,714	0	2,554	34,160	0
Total Tax Increment Financing Revenue Bonds	1,486,714	0	87,554	1,399,160	85,000
<u>Special Assessment Bonds with</u>					
<u>Governmental Commitment:</u>					
1998 5.15% Commerce Center/					
Channingway \$1,160,000	340,000	0	75,000	265,000	80,000
2003 4.00 to 8.30% Dayton - Yellow Spring					
Improvement \$305,000	174,000	0	17,000	157,000	18,000
2011 3.00% Curb and Sidewalk \$320,000	135,000	0	65,000	70,000	70,000
2012 2.5% Curb and Sidewalk \$120,000	75,000	0	25,000	50,000	25,000
2013 1.5-2% Various Purpose Special					
Assessment Bonds	60,000	0	15,000	45,000	15,000
Premium	1,943	0	112	1,831	0
Total Speical Assessment Bonds	\$785,943	\$0	\$197,112	\$588,831	\$208,000

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Types/Issues	Balance at 12/31/2014	Increases	Decreases	Balance at 12/31/2015	Due Within One Year
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	\$90,631	\$0	\$24,806	\$65,825	\$25,613
Claims Payable	0	1,815,726	1,560,693	255,033	178,237
Compensated Absences Payable	1,183,982	1,052,232	991,130	1,245,084	977,386
Total Other Long-Term Obligations	<u>1,274,613</u>	<u>2,867,958</u>	<u>2,576,629</u>	<u>1,565,942</u>	<u>1,181,236</u>
<u>Net Pension Liability:</u>					
OP&F	18,351,094	1,168,453	0	19,519,547	0
OPERS	5,431,194	125,508	0	5,556,702	0
Total Net Pension Liability	<u>23,782,288</u>	<u>1,293,961</u>	<u>0</u>	<u>25,076,249</u>	<u>0</u>
Total Governmental Activities	<u>\$27,841,409</u>	<u>\$4,434,074</u>	<u>\$3,279,762</u>	<u>\$28,995,721</u>	<u>\$1,569,236</u>

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.

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 paid off during 2015.

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 from 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 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, Police, Street Maintenance and Repair, State Highway, Cemetery, Community Development and Victim Witness Special Revenue Funds. The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see note 12.

A summary of the long-term obligations reported for business-type activities during 2015 is as follows:

Types/Issues	Balance at 12/31/2014	Increases	Decreases	Balance at 12/31/2015	Due Within One Year
<u>Notes Payable:</u>					
2013 2.25% - Sewer Various Purpose					
Bond Anticipation Series A (NW Force)	\$100,000	\$0	\$100,000	\$0	\$0
Premium	459	0	459	0	0
2015 1.00% - Sewer Various Purpose					
Bond Anticipation Series A (NW Force)	0	100,000	0	100,000	0
Premium	0	695	521	174	0
2015 1.00% - NW Force Main Lift Station					
Upgrade Bond Anticipation Series A	0	2,688,900	0	2,688,900	0
Premium	0	18,688	14,016	4,672	0
Total Notes Payable	100,459	2,808,283	114,996	2,793,746	0
<u>General Obligation Bonds</u>					
Purpose \$7,460,000	7,395,000	0	125,000	7,270,000	130,000
Discount	(60,205)	0	(2,509)	(57,696)	0
Total General Obligation Bonds	7,334,795	0	122,491	7,212,304	130,000
<u>Refunding Bonds:</u>					
2013 1.5% to 3.0% Water Various Purpose Bonds	3,425,000	0	160,000	3,265,000	160,000
Premium	62,119	0	3,575	58,544	0
2013 1.5% to 3.0% Water Various Purpose Bonds	752,700	0	68,250	684,450	70,200
Premium	15,545	0	1,658	13,887	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	1,177,300	0	106,750	1,070,550	109,800
Premium	24,314	0	2,593	21,721	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	1,815,000	0	85,000	1,730,000	85,000
Premium	32,959	0	1,897	31,062	0
Total Refunding Bonds	\$7,304,937	\$0	\$429,723	\$6,875,214	\$425,000

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Types/Issues	Balance at 12/31/2014	Increases	Decreases	Balance at 12/31/2015	Due Within One Year
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	\$90,000	\$0	\$10,000	\$80,000	\$10,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	25,028	0	16,686	8,342	8,342
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	224,928	0	57,576	167,352	55,784
Capital Leases	60,514	0	58,959	1,555	605
Net Pension Liability - OPERS	1,715,114	39,634	0	1,754,748	0
Compensated Absences	161,000	126,286	109,645	177,641	129,160
Total Other Long-Term Obligations	<u>2,161,556</u>	<u>165,920</u>	<u>226,180</u>	<u>2,101,296</u>	<u>185,549</u>
Total Business-type Activities	<u>\$17,016,775</u>	<u>\$2,974,203</u>	<u>\$920,076</u>	<u>\$19,070,902</u>	<u>\$758,891</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 matured on March 25, 2015. The notes were paid off during 2015.

On March 25, 2015 the City issued \$3,098,900 in various purpose bond anticipation notes series A. \$270,000 of the notes were issued to retire a portion of the 2014 various purpose bond anticipation notes \$100,000 was used to retire the 2014 sewer various purpose bond anticipation notes, and the remaining \$2,688,900 were issued to upgrade the Northwest Force Main Lift Station. The notes were issued at 1.00 percent and matured on March 24, 2016. The notes will be paid from sewer with charges.

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 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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).

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	2,070,000
Total	<u>\$4,330,000</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.

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 pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see note 12.

The City's overall legal debt margin was \$52,543,996 at December 31, 2015, and the unvoted debt margin was \$26,904,641.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2015 follows:

Governmental Activities						
December 31,	General Obligation Bonds		TIF Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	0	0	90,000	26,438	20,000	3,600
2021-2025	0	0	485,000	103,115	60,000	5,400
2026-2029	0	0	440,000	33,450	0	0
Total	<u>\$95,000</u>	<u>\$5,113</u>	<u>\$1,365,000</u>	<u>\$283,379</u>	<u>\$587,000</u>	<u>\$65,863</u>

Business type Activities					
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
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	605,000	418,613	10,000	1,880	0
2021-2025	3,180,000	1,855,980	30,000	2,820	0
2026-2030	3,415,000	1,336,057	0	0	0
2031-2035	2,940,000	692,859	0	0	0
2036-2038	1,585,000	144,675	0	0	0
Total	<u>\$14,020,000</u>	<u>\$6,239,449</u>	<u>\$80,000</u>	<u>\$16,740</u>	<u>\$8,342</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 \$167,352 reported as a landfill post-closure care liability in the Sanitation Enterprise Fund at December 31, 2015, 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, 2015

Note 20 – Interfund Assets/Liabilities

Interfund balances at December 31, 2015, 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	\$1,538	\$1,538
Fire and EMS Fund	0	12,311	12,311
Police Fund	0	6,957	6,957
Nonmajor			
Governmental Funds	244,000	3,372	247,372
Water Fund	0	2,057	2,057
Sewer Fund	0	831	831
Sanitation Fund	0	31	31
Information Technology Fund	0	16	16
Total	<u>\$244,000</u>	<u>\$27,113</u>	<u>\$271,113</u>

Interfund transfers for the year ended December 31, 2015, 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	\$2,526,000	\$4,296,000	\$538,618	\$7,360,618
Nonmajor				
Governmental Funds	0	0	10,300	10,300
Total	<u>\$2,526,000</u>	<u>\$4,296,000</u>	<u>\$548,918</u>	<u>\$7,370,918</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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 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 2015. Financial information may be obtained by writing to Brian Martin, Executive Director, Ten North Ludlow Street, Suite 700, 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 \$3,583 for the operation of the RERT for 2015. 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 Beaver creek, 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 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 \$10,500 during 2015. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beaver creek, 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 \$251,082 from General Fund to the Fairborn Development Corporation during 2015. Financial information can be obtained by writing to Fairborn Development Corporation, c/o The City of Fairborn, Rob Anderson, 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 guides the physical development of land in the unincorporated areas of Greene County. Specifically, the GCRPCC oversees the administration of many county development regulations, including subdivisions. The GCRPCC provides professional planning services and technical assistance to the member jurisdictions and county departments so as to enhance the quality of life for those who live, work and recreate in 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

limited to representation on the Board. The City is a non-voting member and made no contributions during 2015. Financial information can be obtained from Ken LeBlanc, Executive Director, at 651 Dayton-Xenia Road, Suite #1, Xenia, Ohio 45385.

Note 22 – Public Entity Shared Risk Pool

Public Entities Pool of Ohio (PEP)

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

Pursuant to a contract, the firm of USI 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.

Jefferson Health Plan

The City participates in the Jefferson Health Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including two insurance consortiums. Each participant appoints a member of the insurance plan’s assembly. The Plan’s business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants’ actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by American United Life.

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	\$625,024
Fire and EMS	189,380
Police	111,420
County Motor Vehicle Tax	1,478,134
Other Governmental Funds	1,252,656
Total Governmental Funds	<u>3,656,614</u>
<u>Enterprise Funds:</u>	
Water	576,970
Sewer	5,193,672
Sanitation	195,884
Total Enterprise Funds	<u>5,966,526</u>
<u>Internal Service Funds:</u>	
Equipment	52,280
Information Technology	31,650
Total Internal Service Fund	<u>83,930</u>
Total	<u><u>\$9,707,070</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Contractual Commitments

As of December 31, 2015, the City had the following commitments with respect to capital projects:

Project	Construction Commitment
Xenia Drive RR Crossing	\$20,000
Fairborn Bikeway	318,754
Ohio Stree & Wright Avenue	71,513
Fairborn Library Elevator	49,800
Fairfield Park Entrance	67,605
Colonel Gleen Phase II Enhancement	167,281
Main Street Phase III	700,000
Dayton Drive Widening	70,000
Northwest Lift/Force Upgrade	3,764,481
Maple Avenue Bridge/Overpass Project	234,928
Southeast Lift Station	189,608
WRC Concrete Wall Repair	150,000
Elder Beerman Building Demolition	108,654
Sanitary Sewer Rehab	173,899
Water Main Replacements	90,290
SCADA Upgrades	398,000
Comprehensive Land Use Plan	52,354
Demolition of 6 Properties	57,519
2016 Curb, Sidewalk & Approach and ADA Ramp Project	200,851
Digesters 1 & 3 Blower	150,000
Meter System Upgrade	45,978

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:

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	\$14,298	\$0	\$3,781	\$0	\$162,490	\$180,569

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Fund Balances	General Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total
<u>Restricted for:</u>						
Assets held for Resale	0	0	0	0	83,623	83,623
Road Improvements	0	0	0	2,353,386	1,181,863	3,535,249
Debt Service	0	0	0	0	195,510	195,510
Neighborhood Stabilization	0	0	0	0	51,401	51,401
Drug and Alcohol Enforcement	0	0	0	0	640,171	640,171
Victim Assistance Programs	0	0	0	0	12,716	12,716
Municipal Court Programs	0	0	0	0	731,897	731,897
Public Safety Equipment	0	466,609	314,432	0	1,154,736	1,935,777
Special Assessment Improvements	0	0	0	0	88,114	88,114
Economic Improvement	0	0	0	0	20,919	20,919
Total Restricted	0	466,609	314,432	2,353,386	4,160,950	7,295,377
<u>Committed to:</u>						
Cemetery Operations	0	0	0	0	12,511	12,511
Land and Building Improvements	0	0	0	0	42,758	42,758
Recreation Improvements	0	0	0	0	63,850	63,850
Total Committed	0	0	0	0	119,119	119,119
<u>Assigned to:</u>						
Purchases on Order for:						
General Government	424,262	0	0	0	0	424,262
Leisure Time Services	12,273	0	0	0	0	12,273
Capital Projects	3,034	0	0	0	0	3,034
General Capital Improvements	0	0	0	0	419,469	419,469
Future Appropriations	544,183	0	0	0	0	544,183
Total Assigned	983,752	0	0	0	419,469	1,403,221
<u>Unassigned (Deficits):</u>	<u>9,480,017</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,079)</u>	<u>9,478,938</u>
Total Fund Balances	<u>\$10,478,067</u>	<u>\$466,609</u>	<u>\$318,213</u>	<u>\$2,353,386</u>	<u>\$4,860,949</u>	<u>\$18,477,224</u>

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, 2015. 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, 2015

Federal and State Grants

For the period January 1, 2015, to December 31, 2015, 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 24, 2016, the City issued various Bond Anticipation Notes in the amount of \$8,148,900.



FAIRBORN

A CITY IN MOTION

REQUIRED SUPPLEMENTARY INFORMATION

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City of Fairborn, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.060620%	0.060620%
City's Proportionate Share of the Net Pension Liability	\$7,311,449	\$7,146,308
City's Covered-Employee Payroll	\$7,432,075	\$7,261,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	98.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Fairborn, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.376795%	0.376795%
City's Proportionate Share of the Net Pension Liability	\$19,519,547	\$18,351,094
City's Covered-Employee Payroll	\$7,331,137	\$6,483,988
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	266.26%	283.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Fairborn, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$902,127	\$891,849	\$944,038
Contributions in Relation to the Contractually Required Contribution	<u>(902,127)</u>	<u>(891,849)</u>	<u>(944,038)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$7,517,724	\$7,432,075	\$7,261,831
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

City of Fairborn, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,614,648	\$1,576,862	\$1,196,038	\$999,985
Contributions in Relation to the Contractually Required Contribution	<u>(1,614,648)</u>	<u>(1,576,862)</u>	<u>(1,196,038)</u>	<u>(999,985)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$7,521,151	\$7,331,137	\$6,483,988	\$6,594,406
Contributions as a Percentage of Covered-Employee Payroll:	21.47%	21.51%	18.45%	15.16%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$987,882	\$1,112,011	\$1,067,845	\$1,104,023	\$1,420,014	\$1,323,165
<u>(987,882)</u>	<u>(1,112,011)</u>	<u>(1,067,845)</u>	<u>(1,104,023)</u>	<u>(1,420,014)</u>	<u>(1,323,165)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,505,473	\$7,322,201	\$7,001,195	\$7,224,485	\$9,379,245	\$9,407,706
15.19%	15.19%	15.25%	15.28%	15.14%	14.06%

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.

Public Safety Police/Fire Fund

Public Safety Police/Fire Fund accounts for and reports restricted income tax money to provide police, fire and emergency medical services.

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 restricted 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.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Nonmajor Capital Projects Funds

Issue II Improvement Fund

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

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.

National Road Improvement Fund

National Road Improvement Fund accounts for and reports restricted State grant money for the National Road improvement project.

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$3,050,104	\$195,510	\$1,668,951	\$4,914,565
Receivables:				
Other Local Taxes	0	0	38,848	38,848
Municipal Income Taxes	764,254	0	8,461	772,715
Increment Tax	0	0	402,867	402,867
Accounts	0	84,218	0	84,218
Special Assessments	0	588,914	0	588,914
Intergovernmental	607,340	0	17,734	625,074
Assets Held for Resale	83,623	0	0	83,623
Materials and Supplies Inventory	162,490	0	0	162,490
<i>Total Assets</i>	<u>\$4,667,811</u>	<u>\$868,642</u>	<u>\$2,136,861</u>	<u>\$7,673,314</u>
Liabilities:				
Accounts Payable	\$45,014	\$0	\$48,432	\$93,446
Contracts Payable	0	0	126,382	126,382
Retainage Payable	0	0	2,909	2,909
Interfund Payable	172,372	0	75,000	247,372
Accrued Wages Payable	17,640	0	1,119	18,759
Intergovernmental Payable	25,197	0	957	26,154
Accrued Interest Payable	0	0	747	747
Notes Payable	0	0	216,073	216,073
<i>Total Liabilities</i>	<u>260,223</u>	<u>0</u>	<u>471,619</u>	<u>731,842</u>
Deferred Inflows of Resources:				
Revenue in Lieu of Taxes	0	0	402,867	402,867
Unavailable Revenue	1,004,524	673,132	0	1,677,656
<i>Total Deferred Inflows of Resources</i>	<u>1,004,524</u>	<u>673,132</u>	<u>402,867</u>	<u>2,080,523</u>
Fund Balances:				
Nonspendable	162,490	0	0	162,490
Restricted	3,229,142	195,510	736,298	4,160,950
Committed	12,511	0	106,608	119,119
Assigned	0	0	419,469	419,469
Unassigned (Deficit)	(1,079)	0	0	(1,079)
<i>Total Fund Balances</i>	<u>3,403,064</u>	<u>195,510</u>	<u>1,262,375</u>	<u>4,860,949</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,667,811</u>	<u>\$868,642</u>	<u>\$2,136,861</u>	<u>\$7,673,314</u>



FAIRBORN

A CITY IN MOTION

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	\$0	\$0	\$167,187	\$167,187
Municipal Income Taxes	1,646,075	0	381,140	2,027,215
Revenue in Lieu of Taxes	0	0	428,715	428,715
Fines, Licenses and Permits	331,294	0	172,931	504,225
Charges for Services	78,577	82,199	47,895	208,671
Investment Earnings	11,408	33,685	9,814	54,907
Intergovernmental	2,073,608	0	1,774,651	3,848,259
Special Assessments	0	197,000	0	197,000
Contributions and Donations	11,059	0	0	11,059
Other	117,402	0	4,887	122,289
<i>Total Revenues</i>	<u>4,269,423</u>	<u>312,884</u>	<u>2,987,220</u>	<u>7,569,527</u>
Expenditures:				
Current:				
General Government	74,042	1,748	427,658	503,448
Public Safety	845,975	0	0	845,975
Community Development	826,199	0	0	826,199
Transportation and Street Repair	1,136,592	0	0	1,136,592
Public Health and Welfare	117,097	0	0	117,097
Capital Outlay	543,865	0	2,926,110	3,469,975
Intergovernmental	0	0	243,390	243,390
Debt Service:				
Principal Retirement	67,500	207,000	422,500	697,000
Interest and Fiscal Charges	617	159,701	51,021	211,339
<i>Total Expenditures</i>	<u>3,611,887</u>	<u>368,449</u>	<u>4,070,679</u>	<u>8,051,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>657,536</u>	<u>(55,565)</u>	<u>(1,083,459)</u>	<u>(481,488)</u>
Other Financing Sources (Uses):				
Notes Issued	0	0	270,000	270,000
Proceeds from Sale of Capital Assets	3,601	0	0	3,601
Transfers-In	147,941	0	400,977	548,918
Premium on Debt Issued	0	0	2,155	2,155
Transfers-Out	(10,300)	0	0	(10,300)
<i>Total Other Financing Sources (Uses)</i>	<u>141,242</u>	<u>0</u>	<u>673,132</u>	<u>814,374</u>
<i>Net Change in Fund Balances</i>	798,778	(55,565)	(410,327)	332,886
<i>Fund Balances at Beginning of Year</i>	<u>2,604,286</u>	<u>251,075</u>	<u>1,672,702</u>	<u>4,528,063</u>
<i>Fund Balances at End of Year</i>	<u><u>\$3,403,064</u></u>	<u><u>\$195,510</u></u>	<u><u>\$1,262,375</u></u>	<u><u>\$4,860,949</u></u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$720,770	\$187,323	\$149,721	\$15,145
Receivables:				
Municipal Income Taxes	0	0	0	0
Intergovernmental	508,564	41,233	43,924	0
Assets Held for Resale	0	0	15,315	0
Materials and Supplies Inventory	162,490	0	0	0
<i>Total Assets</i>	<u>\$1,391,824</u>	<u>\$228,556</u>	<u>\$208,960</u>	<u>\$15,145</u>
Liabilities:				
Accounts Payable	\$9,675	\$0	\$1,350	\$700
Interfund Payable	3,203	87	154,045	37
Accrued Wages Payable	6,756	708	1,404	785
Intergovernmental Payable	9,138	933	1,994	1,112
<i>Total Liabilities</i>	<u>28,772</u>	<u>1,728</u>	<u>158,793</u>	<u>2,634</u>
Deferred Inflows of Resources:				
Unavailable Revenue	334,416	27,113	0	0
Fund Balances:				
Nonspendable	162,490	0	0	0
Restricted	866,146	199,715	50,167	0
Committed	0	0	0	12,511
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,028,636</u>	<u>199,715</u>	<u>50,167</u>	<u>12,511</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,391,824</u>	<u>\$228,556</u>	<u>\$208,960</u>	<u>\$15,145</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
\$16,020	\$529	\$11,652	\$8,544	\$12,133	\$86,643	\$10,387
0	0	0	0	0	0	0
0	0	9,963	0	2,867	0	0
44,255	24,053	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$60,275</u>	<u>\$24,582</u>	<u>\$21,615</u>	<u>\$8,544</u>	<u>\$15,000</u>	<u>\$86,643</u>	<u>\$10,387</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	15,000	0	0
0	0	1,683	0	434	0	0
0	0	1,918	0	645	0	0
0	0	3,601	0	16,079	0	0
0	0	5,298	0	0	0	0
0	0	0	0	0	0	0
60,275	24,582	12,716	8,544	0	86,643	10,387
0	0	0	0	0	0	0
0	0	0	0	(1,079)	0	0
<u>60,275</u>	<u>24,582</u>	<u>12,716</u>	<u>8,544</u>	<u>(1,079)</u>	<u>86,643</u>	<u>10,387</u>
<u>\$60,275</u>	<u>\$24,582</u>	<u>\$21,615</u>	<u>\$8,544</u>	<u>\$15,000</u>	<u>\$86,643</u>	<u>\$10,387</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015
(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	\$322,456	\$3,271	\$105,666	\$80,819	\$1,809
Receivables:					
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	0	0	789	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>\$322,456</u>	<u>\$3,271</u>	<u>\$106,455</u>	<u>\$80,819</u>	<u>\$1,809</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0	0
Accrued Wages Payable	0	0	0	523	138
Intergovernmental Payable	0	0	0	663	21
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,186</u>	<u>159</u>
Deferred Inflows of Resources:					
Unavailable Revenue	0	0	789	0	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	322,456	3,271	105,666	79,633	1,650
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>322,456</u>	<u>3,271</u>	<u>105,666</u>	<u>79,633</u>	<u>1,650</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$322,456</u>	<u>\$3,271</u>	<u>\$106,455</u>	<u>\$80,819</u>	<u>\$1,809</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Public Safety Police/Fire Fund	Total Nonmajor Special Revenue Funds
\$89,042	\$369,500	\$113,084	\$12,375	\$733,215	\$3,050,104
0	0	0	0	764,254	764,254
0	0	0	0	0	607,340
0	0	0	0	0	83,623
0	0	0	0	0	162,490
<u>\$89,042</u>	<u>\$369,500</u>	<u>\$113,084</u>	<u>\$12,375</u>	<u>\$1,497,469</u>	<u>\$4,667,811</u>
\$0	\$24,478	\$2,986	\$0	\$5,825	\$45,014
0	0	0	0	0	172,372
0	461	0	0	4,748	17,640
0	394	0	0	8,379	25,197
<u>0</u>	<u>25,333</u>	<u>2,986</u>	<u>0</u>	<u>18,952</u>	<u>260,223</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>636,908</u>	<u>1,004,524</u>
0	0	0	0	0	162,490
89,042	344,167	110,098	12,375	841,609	3,229,142
0	0	0	0	0	12,511
0	0	0	0	0	(1,079)
<u>89,042</u>	<u>344,167</u>	<u>110,098</u>	<u>12,375</u>	<u>841,609</u>	<u>3,403,064</u>
<u>\$89,042</u>	<u>\$369,500</u>	<u>\$113,084</u>	<u>\$12,375</u>	<u>\$1,497,469</u>	<u>\$4,667,811</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, 2015

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund
Revenues:				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	12	27,344
Investment Earnings	8,876	1,419	0	0
Intergovernmental	1,121,546	90,123	230,281	0
Contributions and Donations	0	0	0	0
Other	86,060	1,145	5,881	127
<i>Total Revenues</i>	<u>1,216,482</u>	<u>92,687</u>	<u>236,174</u>	<u>27,471</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	216,762	0
Transportation and Street Repair	1,054,593	81,999	0	0
Public Health and Welfare	0	0	0	117,097
Capital Outlay	44,811	0	12,469	8,318
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>1,099,404</u>	<u>81,999</u>	<u>229,231</u>	<u>125,415</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>117,078</u>	<u>10,688</u>	<u>6,943</u>	<u>(97,944)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers-In	0	0	0	86,900
Transfers-Out	(10,300)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,300)</u>	<u>0</u>	<u>0</u>	<u>86,900</u>
<i>Net Change in Fund Balances</i>	106,778	10,688	6,943	(11,044)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>921,858</u>	<u>189,027</u>	<u>43,224</u>	<u>23,555</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,028,636</u>	<u>\$199,715</u>	<u>\$50,167</u>	<u>\$12,511</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	\$0
0	0	0	0	0	0	0	31,952
96	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	158,023	63,937	339,214	21,332	0	0	0
0	0	0	0	0	1,059	0	0
0	104	195	2,557	0	17,704	3,577	52
96	158,127	64,132	341,771	21,332	18,763	3,577	32,004
0	0	0	0	0	0	0	0
0	0	93,714	0	42,905	7,262	0	49,827
18,240	233,928	0	337,645	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	6,381	0	0	0	84,104	2,450	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
18,240	240,309	93,714	337,645	42,905	91,366	2,450	49,827
(18,144)	(82,182)	(29,582)	4,126	(21,573)	(72,603)	1,127	(17,823)
0	0	0	0	0	3,601	0	0
0	0	42,000	0	19,041	0	0	0
0	0	0	0	0	0	0	0
0	0	42,000	0	19,041	3,601	0	0
(18,144)	(82,182)	12,418	4,126	(2,532)	(69,002)	1,127	(17,823)
78,419	106,764	298	4,418	1,453	155,645	9,260	340,279
\$60,275	\$24,582	\$12,716	\$8,544	(\$1,079)	\$86,643	\$10,387	\$322,456

(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, 2015
(Continued)

	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Revenues:				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	2,111	0	117,980	16,556
Charges for Services	0	0	0	0
Investment Earnings	0	1,113	0	0
Intergovernmental	0	7,194	0	0
Contributions and Donations	0	10,000	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>2,111</u>	<u>18,307</u>	<u>117,980</u>	<u>16,556</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	1,080	28,220	82,026	15,648
Community Development	0	0	0	0
Transportation and Street Repair	0	0	0	0
Public Health and Welfare	0	0	0	0
Capital Outlay	5,700	35,064	4,972	0
Debt Service:				
Principal Retirement	0	20,000	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>6,780</u>	<u>83,284</u>	<u>86,998</u>	<u>15,648</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,669)</u>	<u>(64,977)</u>	<u>30,982</u>	<u>908</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
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>	(4,669)	(64,977)	30,982	908
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>7,940</u>	<u>170,643</u>	<u>48,651</u>	<u>742</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$3,271</u>	<u>\$105,666</u>	<u>\$79,633</u>	<u>\$1,650</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Public Safety Police/Fire Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,646,075	\$1,646,075
16,589	119,102	27,004	0	0	331,294
0	0	0	51,125	0	78,577
0	0	0	0	0	11,408
0	41,958	0	0	0	2,073,608
0	0	0	0	0	11,059
0	0	0	0	0	117,402
<u>16,589</u>	<u>161,060</u>	<u>27,004</u>	<u>51,125</u>	<u>1,646,075</u>	<u>4,269,423</u>
6,000	68,042	0	0	0	74,042
0	0	27,619	0	497,674	845,975
0	0	0	19,624	0	826,199
0	0	0	0	0	1,136,592
0	0	0	0	0	117,097
6,949	73,972	0	0	258,675	543,865
0	0	0	0	47,500	67,500
0	0	0	0	617	617
<u>12,949</u>	<u>142,014</u>	<u>27,619</u>	<u>19,624</u>	<u>804,466</u>	<u>3,611,887</u>
<u>3,640</u>	<u>19,046</u>	<u>(615)</u>	<u>31,501</u>	<u>841,609</u>	<u>657,536</u>
0	0	0	0	0	3,601
0	0	0	0	0	147,941
0	0	0	0	0	(10,300)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>141,242</u>
3,640	19,046	(615)	31,501	841,609	798,778
<u>85,402</u>	<u>325,121</u>	<u>110,713</u>	<u>(19,126)</u>	<u>0</u>	<u>2,604,286</u>
<u>\$89,042</u>	<u>\$344,167</u>	<u>\$110,098</u>	<u>\$12,375</u>	<u>\$841,609</u>	<u>\$3,403,064</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	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	\$223,631	\$460,655	\$128,641	\$346,398
Receivables:				
Other Local Taxes	0	0	38,848	0
Municipal Income Taxes	0	0	0	8,461
Increment Tax	0	0	0	0
Intergovernmental	0	17,734	0	0
<i>Total Assets</i>	<u>\$223,631</u>	<u>\$478,389</u>	<u>\$167,489</u>	<u>\$354,859</u>
Liabilities:				
Accounts Payable	\$2,500	\$0	\$0	\$0
Contracts Payable	0	57,204	27,446	41,732
Retainage Payable	0	1,716	1,193	0
Interfund Payable	0	0	75,000	0
Accrued Wages Payable	1,119	0	0	0
Intergovernmental Payable	957	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>4,576</u>	<u>58,920</u>	<u>103,639</u>	<u>41,732</u>
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	0	0	0	0
Fund Balances:				
Restricted	219,055	0	0	313,127
Committed	0	0	63,850	0
Assigned	0	419,469	0	0
<i>Total Fund Balances</i>	<u>219,055</u>	<u>419,469</u>	<u>63,850</u>	<u>313,127</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$223,631</u>	<u>\$478,389</u>	<u>\$167,489</u>	<u>\$354,859</u>

Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	Total Nonmajor Capital Projects Funds
\$128,690	\$116,002	\$264,934	\$1,668,951
0	0	0	38,848
0	0	0	8,461
0	402,867	0	402,867
0	0	0	17,734
<u>\$128,690</u>	<u>\$518,869</u>	<u>\$264,934</u>	<u>\$2,136,861</u>
\$45,932	\$0	\$0	\$48,432
0	0	0	126,382
0	0	0	2,909
0	0	0	75,000
0	0	0	1,119
0	0	0	957
0	0	747	747
40,000	0	176,073	216,073
<u>85,932</u>	<u>0</u>	<u>176,820</u>	<u>471,619</u>
0	402,867	0	402,867
0	116,002	88,114	736,298
42,758	0	0	106,608
0	0	0	419,469
<u>42,758</u>	<u>116,002</u>	<u>88,114</u>	<u>1,262,375</u>
<u>\$128,690</u>	<u>\$518,869</u>	<u>\$264,934</u>	<u>\$2,136,861</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, 2015

	Issue II Improvement Fund	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund
Revenues:				
Other Local Taxes	\$0	\$0	\$0	\$167,187
Municipal Income Taxes	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Fines, Licenses and Permits	0	172,931	0	0
Charges for Services	0	0	0	20,984
Investment Earnings	0	0	3,624	1,982
Intergovernmental	376,576	0	380,185	219,535
Other	0	0	0	4,887
<i>Total Revenues</i>	<u>376,576</u>	<u>172,931</u>	<u>383,809</u>	<u>414,575</u>
Expenditures:				
Current:				
General Government	0	84,715	110,628	0
Capital Outlay	376,576	4,198	645,639	636,466
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>376,576</u>	<u>88,913</u>	<u>756,267</u>	<u>636,466</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>84,018</u>	<u>(372,458)</u>	<u>(221,891)</u>
Other Financing Sources:				
Notes Issued	0	0	0	0
Transfers-In	0	0	166,571	0
Premium on Debt Issued	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>166,571</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	84,018	(205,887)	(221,891)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>135,037</u>	<u>625,356</u>	<u>285,741</u>
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$219,055</u>	<u>\$419,469</u>	<u>\$63,850</u>

Public Safety Equipment/ Facility Fund	Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	National Road Improvement Fund	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$167,187
381,140	0	0	0	0	381,140
0	0	428,715	0	0	428,715
0	0	0	0	0	172,931
22,575	1,000	0	3,336	0	47,895
4,208	0	0	0	0	9,814
0	0	0	0	798,355	1,774,651
0	0	0	0	0	4,887
<u>407,923</u>	<u>1,000</u>	<u>428,715</u>	<u>3,336</u>	<u>798,355</u>	<u>2,987,220</u>
172,456	43,538	1,658	14,663	0	427,658
418,944	45,932	0	0	798,355	2,926,110
0	0	243,390	0	0	243,390
0	337,500	85,000	0	0	422,500
0	16,647	33,412	962	0	51,021
<u>591,400</u>	<u>443,617</u>	<u>363,460</u>	<u>15,625</u>	<u>798,355</u>	<u>4,070,679</u>
<u>(183,477)</u>	<u>(442,617)</u>	<u>65,255</u>	<u>(12,289)</u>	<u>0</u>	<u>(1,083,459)</u>
0	270,000	0	0	0	270,000
0	234,406	0	0	0	400,977
0	2,155	0	0	0	2,155
<u>0</u>	<u>506,561</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>673,132</u>
<u>(183,477)</u>	<u>63,944</u>	<u>65,255</u>	<u>(12,289)</u>	<u>0</u>	<u>(410,327)</u>
<u>496,604</u>	<u>(21,186)</u>	<u>50,747</u>	<u>100,403</u>	<u>0</u>	<u>1,672,702</u>
<u>\$313,127</u>	<u>\$42,758</u>	<u>\$116,002</u>	<u>\$88,114</u>	<u>\$0</u>	<u>\$1,262,375</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 and report charges to other funds for the labor, parts, and overhead to repair and maintain City equipment and vehicles.

Information Technology Fund

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

Employee Assistance Program Fund

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

Jefferson Health Plan Fund

To account for and report the operation of the City's self-insurance program for employee health benefits and prescription drugs. This fund was no budgeted for 2015, therefore no budgetary statement is presented.

City of Fairborn, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2015

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$157,075	\$152,927	\$148,384	\$341,618	\$800,004
Interfund Receivable	27,113	0	0	0	27,113
Materials and Supplies Inventory	99,670	0	0	0	99,670
<i>Total Current Assets</i>	<u>283,858</u>	<u>152,927</u>	<u>148,384</u>	<u>341,618</u>	<u>926,787</u>
Non-current Assets					
Depreciable Capital Assets, Net	115,941	106,439	0	0	222,380
<i>Total Assets</i>	<u>399,799</u>	<u>259,366</u>	<u>148,384</u>	<u>341,618</u>	<u>1,149,167</u>
Deferred Outflows of Resources:					
Pension	51,690	38,768	0	0	90,458
Liabilities:					
Current Liabilities					
Accounts Payable	19,131	10,172	0	0	29,303
Claims Payable	0	0	0	178,237	178,237
Accrued Wages Payable	5,247	3,451	0	0	8,698
Intergovernmental Payable	7,420	5,079	0	0	12,499
Interfund Payable	0	16	0	0	16
Capital Lease Payable	6,668	0	0	0	6,668
Compensated Absences Payable	52,011	6,547	0	0	58,558
<i>Total Current Liabilities</i>	<u>90,477</u>	<u>25,265</u>	<u>0</u>	<u>178,237</u>	<u>293,979</u>
Long-Term Liabilities					
Claims Payable	0	0	0	76,796	76,796
Capital Lease Payable	10,451	0	0	0	10,451
Compensated Absences Payable	10,206	6,754	0	0	16,960
Net Pension Liability	292,458	219,343	0	0	511,801
<i>Total Long-Term Liabilities</i>	<u>313,115</u>	<u>226,097</u>	<u>0</u>	<u>76,796</u>	<u>616,008</u>
<i>Total Liabilities</i>	<u>403,592</u>	<u>251,362</u>	<u>0</u>	<u>255,033</u>	<u>909,987</u>
Deferred Inflows of Resources:					
Pension	5,138	3,853	0	0	8,991
Net Position:					
Net Investment in Capital Assets	98,822	106,439	0	0	205,261
Unrestricted (Deficit)	(56,063)	(63,520)	148,384	86,585	115,386
<i>Total Net Position</i>	<u>\$42,759</u>	<u>\$42,919</u>	<u>\$148,384</u>	<u>\$86,585</u>	<u>\$320,647</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, 2015

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Operating Revenues:					
Charges for Services	\$1,221,411	\$525,217	\$0	\$2,515,295	\$4,261,923
Other	1,809	2,977	3,121	0	7,907
<i>Total Operating Revenues</i>	<u>1,223,220</u>	<u>528,194</u>	<u>3,121</u>	<u>2,515,295</u>	<u>4,269,830</u>
Operating Expenses:					
Personal Services	502,832	324,028	3,121	0	829,981
Contractual Services	45,142	113,938	4,260	614,390	777,730
Materials and Supplies	704,765	0	0	0	704,765
Claims	0	0	0	1,815,726	1,815,726
Depreciation	21,294	22,156	0	0	43,450
<i>Total Operating Expenses</i>	<u>1,274,033</u>	<u>460,122</u>	<u>7,381</u>	<u>2,430,116</u>	<u>4,171,652</u>
<i>Operating Income (Loss)</i>	<u>(50,813)</u>	<u>68,072</u>	<u>(4,260)</u>	<u>85,179</u>	<u>98,178</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	0	0	1,165	1,406	2,571
Interest and Fiscal Charges	(780)	0	0	0	(780)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(780)</u>	<u>0</u>	<u>1,165</u>	<u>1,406</u>	<u>1,791</u>
<i>Change in Net Position</i>	<u>(51,593)</u>	<u>68,072</u>	<u>(3,095)</u>	<u>86,585</u>	<u>99,969</u>
<i>Net Position (Deficit) at Beginning of Year</i> <i>- Restated (See Note 3)</i>	<u>94,352</u>	<u>(25,153)</u>	<u>151,479</u>	<u>0</u>	<u>220,678</u>
<i>Net Position at End of Year</i>	<u>\$42,759</u>	<u>\$42,919</u>	<u>\$148,384</u>	<u>\$86,585</u>	<u>\$320,647</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received From Interfund Services Provided	\$1,223,764	\$525,207	\$0	\$2,515,295	\$4,264,266
Cash Received From Other Operating Revenues	180	2,977	3,121	0	6,278
Cash Payments for Claims	0	0	0	(1,560,693)	(1,560,693)
Cash Payments for Employee Services and Benefits	(520,207)	(338,876)	(3,121)	0	(862,204)
Cash Payments to Suppliers	(716,692)	(112,022)	(5,323)	(614,390)	(1,448,427)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(12,955)</u>	<u>77,286</u>	<u>(5,323)</u>	<u>340,212</u>	<u>399,220</u>
Cash Flows Used for Capital and Related Financing Activities:					
Acquisition of Capital Assets	0	(75,501)	0	0	(75,501)
Capital Lease Principal Payments	(6,438)	0	0	0	(6,438)
Capital Lease Interest Payments	(780)	0	0	0	(780)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(7,218)</u>	<u>(75,501)</u>	<u>0</u>	<u>0</u>	<u>(82,719)</u>
Cash Flows from Investing Activities:					
Interest	0	0	1,165	1,406	2,571
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(20,173)</u>	<u>1,785</u>	<u>(4,158)</u>	<u>341,618</u>	<u>319,072</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>177,248</u>	<u>151,142</u>	<u>152,542</u>	<u>0</u>	<u>480,932</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$157,075</u>	<u>\$152,927</u>	<u>\$148,384</u>	<u>\$341,618</u>	<u>\$800,004</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(\$50,813)	\$68,072	(\$4,260)	\$85,179	\$98,178
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	21,294	22,156	0	0	43,450
Changes in Assets and Liabilities:					
Decrease in Materials and Supplies Inventory	38,105	0	0	0	38,105
Decrease in Interfund Receivable	724	0	0	0	724
Decrease in Deferred Outflows of Resources - Pension	3,490	2,617	0	0	6,107
(Decrease) in Accounts Payable	(4,890)	(6,362)	(1,063)	0	(12,315)
Increase in Claims Payable	0	0	0	255,033	255,033
(Decrease) in Accrued Wages Payable	(11,338)	(9,091)	0	0	(20,429)
(Decrease) in Intergovernmental Payable	(6,218)	(3,756)	0	0	(9,974)
(Decrease) in Interfund Payable	0	(10)	0	0	(10)
Increase in Compensated Absences Payable	4,453	9,483	0	0	13,936
(Decrease) in Net Pension Liability	(5,392)	(4,044)	0	0	(9,436)
(Decrease) in Deferred Inflows of Resources - Pension	(2,370)	(1,779)	0	0	(4,149)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$12,955)</u>	<u>\$77,286</u>	<u>(\$5,323)</u>	<u>\$340,212</u>	<u>\$399,220</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Agency Funds

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 and report monies that flow through the Clerk of Courts office.

Fire Loss Escrow Fund

To account for and report insurance proceeds arising from destruction by fire of an insured building or structure within the municipality for the purpose of providing the municipality with security for the expenses in removing, repairing or securing the building or other structure.

City of Fairborn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance at 12/31/2014	Additions	Reductions	Balance at 12/31/2015
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$291,461	\$3,759,219	\$3,783,277	\$267,403
Liabilities:				
Undistributed Monies	\$291,461	\$3,759,219	\$3,783,277	\$267,403
<u>Fire Loss Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$31,978	\$31,978	\$0
Liabilities:				
Undistributed Monies	\$0	\$31,978	\$31,978	\$0
<u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$291,461	\$3,791,197	\$3,815,255	\$267,403
Liabilities:				
Undistributed Monies	\$291,461	\$3,791,197	\$3,815,255	\$267,403

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$805,591	\$805,591	\$0
Other Local Taxes	680,000	682,863	2,863
Municipal Income Taxes	8,180,561	8,182,108	1,547
Fines, Licenses and Permits	1,162,100	1,168,905	6,805
Charges for Services	3,320,706	3,355,998	35,292
Investment Earnings	175,000	200,352	25,352
Intergovernmental	1,025,969	1,036,629	10,660
Other	176,305	207,520	31,215
<i>Total Revenues</i>	<u>15,526,232</u>	<u>15,639,966</u>	<u>113,734</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	126,075	121,109	4,966
Contractual Services	57,638	56,997	641
Materials and Supplies	6,901	6,851	50
<i>Total City Council</i>	<u>190,614</u>	<u>184,957</u>	<u>5,657</u>
Municipal Court			
Personal Services	1,823,977	1,684,697	139,280
Contractual Services	302,532	273,686	28,846
Materials and Supplies	31,566	30,966	600
<i>Total Municipal Court</i>	<u>2,158,075</u>	<u>1,989,349</u>	<u>168,726</u>
Jail Diversion Grant			
Personal Services	51,401	48,939	2,462
Contractual Services	26,688	26,688	0
<i>Total Jail Diversion Grant</i>	<u>78,089</u>	<u>75,627</u>	<u>2,462</u>
City Manager's Office			
Personal Services	337,884	319,441	18,443
Contractual Services	30,067	30,067	0
Materials and Supplies	4,498	4,423	75
<i>Total City Manager's Office</i>	<u>372,449</u>	<u>353,931</u>	<u>18,518</u>
Administration and General Accounting			
Personal Services	579,150	536,810	42,340
Contractual Services	93,044	53,389	39,655
Materials and Supplies	4,516	4,481	35
<i>Total Administration and General Accounting</i>	<u>\$676,710</u>	<u>\$594,680</u>	<u>\$82,030</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, 2015
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Utilities Accounting			
Personal Services	\$230,948	\$222,737	\$8,211
Contractual Services	113,179	112,679	500
Materials and Supplies	8,251	8,242	9
<i>Total Utilities Accounting</i>	<u>352,378</u>	<u>343,658</u>	<u>8,720</u>
City Income Tax Accounting			
Personal Services	125,753	121,339	4,414
Contractual Services	470,772	393,384	77,388
Materials and Supplies	5,295	4,997	298
<i>Total City Income Tax Accounting</i>	<u>601,820</u>	<u>519,720</u>	<u>82,100</u>
Legal Department			
Personal Services	232,237	230,670	1,567
Contractual Services	49,893	47,898	1,995
Materials and Supplies	6,867	3,223	3,644
<i>Total Legal Department</i>	<u>288,997</u>	<u>281,791</u>	<u>7,206</u>
Personnel Department			
Personal Services	155,099	117,888	37,211
Contractual Services	156,146	152,099	4,047
Materials and Supplies	11,081	11,072	9
<i>Total Personnel Department</i>	<u>322,326</u>	<u>281,059</u>	<u>41,267</u>
Engineering and Drafting			
Personal Services	469,284	399,123	70,161
Contractual Services	29,851	29,839	12
Materials and Supplies	15,467	13,473	1,994
<i>Total Engineering and Drafting</i>	<u>514,602</u>	<u>442,435</u>	<u>72,167</u>
Police Animal Control			
Contractual Services	8,168	8,168	0
Plant Maintenance			
Personal Services	418,740	385,021	33,719
Contractual Services	147,284	143,807	3,477
Materials and Supplies	101,382	100,936	446
<i>Total Plant Maintenance</i>	<u>667,406</u>	<u>629,764</u>	<u>37,642</u>
Contingency			
Personal Services	77,940	69,858	8,082
Contractual Services	1,486,850	1,395,313	91,537
Materials and Supplies	17,700	13,700	4,000
<i>Total Contingency</i>	<u>1,582,490</u>	<u>1,478,871</u>	<u>103,619</u>
<i>Total General Government</i>	<u>\$7,814,124</u>	<u>\$7,184,010</u>	<u>\$630,114</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, 2015
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities			
Parks and Recreation			
Personal Services	\$168,625	\$165,283	\$3,342
Contractual Services	60,622	59,121	1,501
Materials and Supplies	41,969	41,227	742
<i>Total Leisure Time Activities</i>	<u>271,216</u>	<u>265,631</u>	<u>5,585</u>
Community Development			
Community Development Urban Planner			
Personal Services	379,011	378,295	716
Contractual Services	167,194	166,427	767
Materials and Supplies	8,910	8,710	200
<i>Total Community Development Urban Planner</i>	<u>555,115</u>	<u>553,432</u>	<u>1,683</u>
Building Inspection and Zoning Enforcement			
Personal Services	353,448	337,454	15,994
Contractual Services	46,822	46,657	165
Materials and Supplies	16,247	14,817	1,430
<i>Total Building Inspection and Zoning Enforcement</i>	<u>416,517</u>	<u>398,928</u>	<u>17,589</u>
Economic Development			
Personal Services	181,670	177,079	4,591
Contractual Services	381,289	381,284	5
Materials and Supplies	2,328	1,677	651
<i>Total Economic Development</i>	<u>565,287</u>	<u>560,040</u>	<u>5,247</u>
<i>Total Community Development</i>	<u>1,536,919</u>	<u>1,512,400</u>	<u>24,519</u>
Capital Outlay	230,247	214,778	15,469
<i>Total Expenditures</i>	<u>9,852,506</u>	<u>9,176,819</u>	<u>675,687</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,673,726</u>	<u>6,463,147</u>	<u>789,421</u>
Other Financing Sources (Uses):			
Advances-In	622,000	647,000	25,000
Advances-Out	(292,000)	(292,000)	0
Transfers-Out	(7,362,811)	(7,360,618)	2,193
<i>Total Other Financing Sources (Uses)</i>	<u>(7,032,811)</u>	<u>(7,005,618)</u>	<u>27,193</u>
<i>Net Change in Fund Balance</i>	(1,359,085)	(542,471)	816,614
<i>Fund Balance at Beginning of Year</i>	8,899,828	8,899,828	0
<i>Prior Year Encumbrances Appropriated</i>	815,724	815,724	0
<i>Fund Balance at End of Year</i>	<u>\$8,356,467</u>	<u>\$9,173,081</u>	<u>\$816,614</u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,115,728	\$2,113,723	(\$2,005)
Fines, Licenses and Permits	1,200	1,200	0
Charges for Services	1,987,410	1,938,065	(49,345)
Intergovernmental	274,038	317,998	43,960
Other	0	11,256	11,256
<i>Total Revenues</i>	<u>4,378,376</u>	<u>4,382,242</u>	<u>3,866</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	453,836	435,745	18,091
Contractual Services	474,304	458,707	15,597
Materials and Supplies	35,058	34,958	100
<i>Total Fire Administrative Services</i>	<u>963,198</u>	<u>929,410</u>	<u>33,788</u>
Fire Life Safety			
Personal Services	128,473	123,465	5,008
Contractual Services	575	575	0
Materials and Supplies	3,500	3,500	0
<i>Total Fire Life Safety</i>	<u>132,548</u>	<u>127,540</u>	<u>5,008</u>
Fire Operations			
Personal Services	5,459,978	5,397,551	62,427
Contractual Services	110,339	76,571	33,768
Materials and Supplies	237,020	237,020	0
<i>Total Fire Operations</i>	<u>5,807,337</u>	<u>5,711,142</u>	<u>96,195</u>
Training			
Personal Services	133,130	123,818	9,312
Contractual Services	3,804	3,804	0
Materials and Supplies	2,980	2,980	0
<i>Total Training</i>	<u>139,914</u>	<u>130,602</u>	<u>9,312</u>
<i>Total Expenditures</i>	<u>7,042,997</u>	<u>6,898,694</u>	<u>144,303</u>
<i>Excess of Revenues Under Expenditures</i>	(2,664,621)	(2,516,452)	148,169
Other Financing Sources:			
Transfers-In	2,526,000	2,526,000	0
<i>Net Change in Fund Balance</i>	(138,621)	9,548	148,169
<i>Fund Balance at Beginning of Year</i>	151,221	151,221	0
<i>Prior Year Encumbrances Appropriated</i>	144,915	144,915	0
<i>Fund Balance at End of Year</i>	<u>\$157,515</u>	<u>\$305,684</u>	<u>\$148,169</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,112,594	\$2,113,723	\$1,129
Fines, Licenses and Permits	2,200	3,340	1,140
Charges for Services	38,027	47,100	9,073
Intergovernmental	375,595	387,620	12,025
Other	11,914	13,413	1,499
<i>Total Revenues</i>	<u>2,540,330</u>	<u>2,565,196</u>	<u>24,866</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	846,505	825,946	20,559
Contractual Services	502,356	486,398	15,958
Materials and Supplies	38,842	38,832	10
<i>Total Police Administrative Services</i>	<u>1,387,703</u>	<u>1,351,176</u>	<u>36,527</u>
Police Dispatch			
Personal Services	808,977	765,366	43,611
Contractual Services	57,834	57,234	600
<i>Total Police Dispatch</i>	<u>866,811</u>	<u>822,600</u>	<u>44,211</u>
Police Detective Section			
Personal Services	675,802	667,696	8,106
Contractual Services	6,863	6,863	0
Materials and Supplies	26,100	26,100	0
<i>Total Police Detective Section</i>	<u>708,765</u>	<u>700,659</u>	<u>8,106</u>
Police Patrol Section			
Personal Services	3,699,817	3,636,115	63,702
Contractual Services	11,670	11,462	208
Materials and Supplies	163,869	163,869	0
<i>Total Police Patrol Section</i>	<u>3,875,356</u>	<u>3,811,446</u>	<u>63,910</u>
D.A.R.E.			
Personal Services	121,430	114,515	6,915
Contractual Services	105	0	105
<i>Total D.A.R.E.</i>	<u>121,535</u>	<u>114,515</u>	<u>7,020</u>
<i>Total Expenditures</i>	<u>6,960,170</u>	<u>6,800,396</u>	<u>159,774</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$4,419,840)</u>	<u>(\$4,235,200)</u>	<u>\$184,640</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, 2015
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources:			
Proceeds from Sale of Capital Assets	\$0	\$1,140	\$1,140
Transfers-In	4,296,000	4,296,000	0
<i>Total Other Financing Sources</i>	4,296,000	4,297,140	1,140
<i>Net Change in Fund Balance</i>	(123,840)	61,940	185,780
<i>Fund Balance at Beginning of Year</i>	220,827	220,827	0
<i>Prior Year Encumbrances Appropriated</i>	92,017	92,017	0
<i>Fund Balance at End of Year</i>	\$189,004	\$374,784	\$185,780

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,071,847	\$2,044,914	(\$26,933)
Fines, Licenses and Permits	0	9,570	9,570
Investment Earnings	5,000	26,981	21,981
Intergovernmental	1,060,000	745,223	(314,777)
Other	0	22,575	22,575
<i>Total Revenues</i>	<u>3,136,847</u>	<u>2,849,263</u>	<u>(287,584)</u>
Expenditures:			
Current:			
Transportation and Street Repair Administration			
Contractual Services	5,664	5,415	249
Materials and Supplies	84,000	84,000	0
<i>Total Administration</i>	89,664	89,415	249
Spangler Road Improvements			
Contractual Services	3,300	533	2,767
Xenia DR RR Crossing Water Main			
Contractual Services	10,000	10,000	0
Dayton Drive Design			
Contractual Services	136,935	136,935	0
I-675/DYS ODOT Study			
Contractual Services	624	624	0
Main St Streetscape Phase III			
Contractual Services	31,481	31,481	0
Col Glenn Hwy Phase II			
Contractual Services	211,000	211,000	0
Design Row Ohio/Wright St			
Contractual Services	125,776	125,776	0
Street Tax Levy			
Contractual Services	150,900	128,953	21,947
<i>Total Transportation and Street Repair</i>	<u>759,680</u>	<u>734,717</u>	<u>24,963</u>
Capital Outlay	3,767,520	3,723,117	44,403
Debt Service:			
Principal Retirement	900,600	900,600	0
Interest and Fiscal Charges	13,052	13,052	0
<i>Total Debt Service</i>	<u>913,652</u>	<u>913,652</u>	<u>0</u>
<i>Total Expenditures</i>	<u>\$5,440,852</u>	<u>\$5,371,486</u>	<u>\$69,366</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, 2015
(continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Under Expenditures</i>	<u>(\$2,304,005)</u>	<u>(\$2,522,223)</u>	<u>(\$218,218)</u>
Other Financing Sources:			
Notes Issued	900,600	900,600	0
Premium on Debt Issued	<u>7,367</u>	<u>7,367</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>907,967</u>	<u>907,967</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,396,038)	(1,614,256)	(218,218)
<i>Fund Balance at Beginning of Year</i>	1,998,439	1,998,439	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,325,655</u>	<u>1,325,655</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,928,056</u></u>	<u><u>\$1,709,838</u></u>	<u><u>(\$218,218)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$4,371,868	\$4,170,399	(\$201,469)
Tap-In Fees	40,000	71,290	31,290
Investment Earnings	10,000	11,942	1,942
Notes Issued	2,261,132	718,100	(1,543,032)
Premium on Debt Issued	15,874	5,874	(10,000)
Other	91,000	129,767	38,767
<i>Total Revenues</i>	<u>6,789,874</u>	<u>5,107,372</u>	<u>(1,682,502)</u>
Expenses:			
Personal Services	1,397,247	1,270,461	126,786
Contractual Services	2,248,758	1,904,795	343,963
Materials and Supplies	305,672	300,596	5,076
Capital Outlay	1,806,544	1,613,361	193,183
Debt Service:			
Principal Retirement	963,036	963,036	0
Interest and Fiscal Charges	123,299	108,299	15,000
<i>Total Expenses</i>	<u>6,844,556</u>	<u>6,160,548</u>	<u>684,008</u>
<i>Excess of Revenues Under Expenses</i> <i>Before Proceeds from Sale of Capital Assets</i>	(54,682)	(1,053,176)	(998,494)
Proceeds from Sale of Capital Assets	459	4,106	3,647
<i>Net Change in Fund Equity</i>	(54,223)	(1,049,070)	(994,847)
<i>Fund Equity at Beginning of Year</i>	2,920,829	2,920,829	0
<i>Prior Year Encumbrances Appropriated</i>	1,879,472	1,879,472	0
<i>Fund Equity at End of Year</i>	<u>\$4,746,078</u>	<u>\$3,751,231</u>	<u>(\$994,847)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$7,044,794	\$6,778,362	(\$266,432)
Tap-In Fees	20,000	58,820	38,820
Investment Earnings	10,000	36,377	26,377
Notes Issued	2,788,900	2,788,900	0
Premium on Debt Issued	19,383	19,383	0
Other	0	3,939	3,939
<i>Total Revenues</i>	<u>9,883,077</u>	<u>9,685,781</u>	<u>(197,296)</u>
Expenses:			
Personal Services	1,412,502	1,340,961	71,541
Contractual Services	3,080,173	2,906,367	173,806
Materials and Supplies	360,406	352,493	7,913
Capital Outlay	6,385,533	5,540,892	844,641
Debt Service:			
Principal Retirement	416,750	416,750	0
Interest and Fiscal Charges	393,220	386,429	6,791
<i>Total Expenses</i>	<u>12,048,584</u>	<u>10,943,892</u>	<u>1,104,692</u>
<i>Excess of Revenues Under Expenses</i>			
<i>Before Proceeds from Sale of Capital Assets</i>	(2,165,507)	(1,258,111)	907,396
Proceeds from Sale of Capital Assets	0	94	94
<i>Net Change in Fund Equity</i>	(2,165,507)	(1,258,017)	907,490
<i>Fund Equity at Beginning of Year</i>	7,522,689	7,522,689	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,663,473</u>	<u>1,663,473</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$7,020,655</u></u>	<u><u>\$7,928,145</u></u>	<u><u>\$907,490</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,749,374	\$2,807,729	\$58,355
Expenses:			
Personal Services	177,607	159,097	18,510
Contractual Services	2,691,975	2,684,587	7,388
Materials and Supplies	20,531	16,531	4,000
Capital Outlay	2,000	2,000	0
<i>Total Expenses</i>	<u>2,892,113</u>	<u>2,862,215</u>	<u>29,898</u>
<i>Net Change in Fund Equity</i>	(142,739)	(54,486)	88,253
<i>Fund Equity at Beginning of Year</i>	729,994	729,994	0
<i>Prior Year Encumbrances Appropriated</i>	<u>206,815</u>	<u>206,815</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$794,070</u></u>	<u><u>\$882,323</u></u>	<u><u>\$88,253</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$8,876	\$6,876
Intergovernmental	1,083,500	1,130,404	46,904
Other	112,000	86,060	(25,940)
<i>Total Revenues</i>	<u>1,197,500</u>	<u>1,225,340</u>	<u>27,840</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	83,123	79,328	3,795
Contractual Services	158,482	151,169	7,313
Materials and Supplies	3,932	1,907	2,025
<i>Total General Street Administration</i>	<u>245,537</u>	<u>232,404</u>	<u>13,133</u>
Maintenance and Repairs			
Personal Services	532,060	466,289	65,771
Contractual Services	6,146	5,396	750
Materials and Supplies	149,090	135,691	13,399
<i>Total Maintenance and Repairs</i>	<u>687,296</u>	<u>607,376</u>	<u>79,920</u>
Traffic Signs and Signals			
Personal Services	224,876	207,743	17,133
Contractual Services	23,604	23,503	101
Materials and Supplies	41,573	24,615	16,958
<i>Total Traffic Signs and Signals</i>	<u>290,053</u>	<u>255,861</u>	<u>34,192</u>
<i>Total Transportation and Street Repair</i>	<u>1,222,886</u>	<u>1,095,641</u>	<u>127,245</u>
Capital Outlay	64,873	52,901	11,972
<i>Total Expenditures</i>	<u>1,287,759</u>	<u>1,148,542</u>	<u>139,217</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(90,259)	76,798	167,057
Other Financing Uses:			
Transfers Out	(10,300)	(10,300)	0
<i>Net Change in Fund Balance</i>	(100,559)	66,498	167,057
<i>Fund Balance at Beginning of Year</i>	517,807	517,807	0
<i>Prior Year Encumbrances Appropriated</i>	93,952	93,952	0
<i>Fund Balance at End of Year</i>	<u>\$511,200</u>	<u>\$678,257</u>	<u>\$167,057</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$1,000	\$1,419	\$419
Intergovernmental	89,120	90,841	1,721
Other	0	1,145	1,145
<i>Total Revenues</i>	<u>90,120</u>	<u>93,405</u>	<u>3,285</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	74,148	71,183	2,965
Contractual Services	7,620	5,109	2,511
Materials and Supplies	13,111	12,036	1,075
<i>Total Expenditures</i>	<u>94,879</u>	<u>88,328</u>	<u>6,551</u>
<i>Net Change in Fund Balance</i>	(4,759)	5,077	9,836
<i>Fund Balance at Beginning of Year</i>	174,275	174,275	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,302</u>	<u>4,302</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$173,818</u></u>	<u><u>\$183,654</u></u>	<u><u>\$9,836</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$0	\$12	\$12
Intergovernmental	334,284	207,705	(126,579)
Other	2,867	5,881	3,014
<i>Total Revenues</i>	<u>337,151</u>	<u>213,598</u>	<u>(123,553)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	47,609	37,194	10,415
Contractual Services	6,852	4,303	2,549
Materials and Supplies	1,000	1,000	0
<i>Total Entitlement Administration</i>	<u>55,461</u>	<u>42,497</u>	<u>12,964</u>
Code Enforcement			
Personal Services	87,804	85,128	2,676
Contractual Services	9,069	8,870	199
Materials and Supplies	3,380	2,981	399
<i>Total Code Enforcement</i>	<u>100,253</u>	<u>96,979</u>	<u>3,274</u>
Entitlement Fair Housing			
Personal Services	4,389	2,838	1,551
Contractual Services	2,000	2,000	0
Materials and Supplies	700	700	0
<i>Total Entitlement Fair Housing</i>	<u>7,089</u>	<u>5,538</u>	<u>1,551</u>
Handicap Accessibility			
Personal Services	4,396	135	4,261
Contractual Services	13,604	13,604	0
<i>Total Handicap Accessibility</i>	<u>18,000</u>	<u>13,739</u>	<u>4,261</u>
Property Demolition			
Contractual Services	2,198	2,198	0
Community Developmental Home Repair			
Personal Services	14,905	11,882	3,023
Contractual Services	102,562	102,562	0
<i>Total Community Developmental Home Repair</i>	<u>117,467</u>	<u>114,444</u>	<u>3,023</u>
<i>Total Community Development</i>	<u>300,468</u>	<u>275,395</u>	<u>25,073</u>
Capital Outlay	12,469	12,469	0
<i>Total Expenditures</i>	<u>\$312,937</u>	<u>\$287,864</u>	<u>\$25,073</u>

(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, 2015
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Net Change in Fund Balance</i>	\$24,214	(\$74,266)	(\$98,480)
<i>Fund Balance at Beginning of Year</i>	90,445	90,445	0
<i>Prior Year Encumbrances Appropriated</i>	81,851	81,851	0
<i>Fund Balance at End of Year</i>	<u>\$196,510</u>	<u>\$98,030</u>	<u>(\$98,480)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$30,100	\$27,344	(\$2,756)
Other	50	127	77
<i>Total Revenues</i>	<u>30,150</u>	<u>27,471</u>	<u>(2,679)</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	94,838	93,195	1,643
Contractual Services	21,986	21,424	562
Materials and Supplies	13,775	13,770	5
<i>Total Public Health and Welfare</i>	<u>130,599</u>	<u>128,389</u>	<u>2,210</u>
Capital Outlay	<u>8,400</u>	<u>8,375</u>	<u>25</u>
<i>Total Expenditures</i>	<u>138,999</u>	<u>136,764</u>	<u>2,235</u>
<i>Excess of Revenues Under Expenditures</i>	(108,849)	(109,293)	(444)
Other Financing Sources:			
Transfers-In	<u>95,000</u>	<u>86,900</u>	<u>(8,100)</u>
<i>Net Change in Fund Balance</i>	(13,849)	(22,393)	(8,544)
<i>Fund Balance at Beginning of Year</i>	18,057	18,057	0
<i>Prior Year Encumbrances Appropriated</i>	<u>14,312</u>	<u>14,312</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$18,520</u></u>	<u><u>\$9,976</u></u>	<u><u>(\$8,544)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$96	\$96	\$0
Expenditures:			
Current:			
Community Development Neighborhood Stabilization Program			
Personal Services	1,045	0	1,045
Contractual Services	5,910	5,910	0
<i>Total Expenditures</i>	<u>6,955</u>	<u>5,910</u>	<u>1,045</u>
<i>Excess of Revenues Under Expenditures</i>	(6,859)	(5,814)	1,045
Other Financing Sources:			
Proceeds from Sale of Capital Assets	<u>1</u>	<u>1</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,858)	(5,813)	1,045
<i>Fund Balance at Beginning of Year</i>	21,218	21,218	0
<i>Prior Year Encumbrances Appropriated</i>	<u>96</u>	<u>96</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$14,456</u></u>	<u><u>\$15,501</u></u>	<u><u>\$1,045</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$158,023	\$158,023	\$0
Other	55	104	49
<i>Total Revenues</i>	<u>158,078</u>	<u>158,127</u>	<u>49</u>
Expenditures:			
Current:			
Community Development			
Neighborhood Stabilization Program			
Personal Services	1,462	1,462	0
Contractual Services	6,218	6,218	0
Materials and Supplies	195,640	195,640	0
<i>Total Community Development</i>	<u>203,320</u>	<u>203,320</u>	<u>0</u>
Capital Outlay	6,381	6,381	0
<i>Total Expenditures</i>	<u>209,701</u>	<u>209,701</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(51,623)</u>	<u>(51,574)</u>	<u>49</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	81,260	81,260	0
Advances-Out	(210,000)	(210,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(128,740)</u>	<u>(128,740)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(180,363)</u>	<u>(180,314)</u>	<u>49</u>
<i>Fund Balance at Beginning of Year</i>	76,581	76,581	0
<i>Prior Year Encumbrances Appropriated</i>	<u>103,782</u>	<u>103,782</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$49</u>	<u>\$49</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$57,630	\$61,237	\$3,607
Other	0	195	195
<i>Total Revenues</i>	<u>57,630</u>	<u>61,432</u>	<u>3,802</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	94,764	90,223	4,541
Contractual Services	5,149	5,144	5
Materials and Supplies	2,897	2,692	205
<i>Total Expenditures</i>	<u>102,810</u>	<u>98,059</u>	<u>4,751</u>
<i>Excess of Revenues Under Expenditures</i>	(45,180)	(36,627)	8,553
Other Financing Sources:			
Transfers-In	44,000	42,000	(2,000)
<i>Net Change in Fund Balance</i>	(1,180)	5,373	6,553
<i>Fund Balance at Beginning of Year</i>	5,795	5,795	0
<i>Prior Year Encumbrances Appropriated</i>	165	165	0
<i>Fund Balance at End of Year</i>	<u>\$4,780</u>	<u>\$11,333</u>	<u>\$6,553</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$340,614	\$340,614	\$0
Other	1,000	2,557	1,557
<i>Total Revenues</i>	<u>341,614</u>	<u>343,171</u>	<u>1,557</u>
Expenditures:			
Current:			
Community and Economic Development			
Neighborhood Betterment			
Personal Services	29,155	29,155	0
Contractual Services	308,939	308,939	0
<i>Total Expenditures</i>	<u>338,094</u>	<u>338,094</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,520</u>	<u>5,077</u>	<u>1,557</u>
Other Financing Sources (Uses):			
Advances-In	48,000	48,000	0
Advances-Out	(128,000)	(128,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(76,480)	(74,923)	1,557
<i>Fund Balance at Beginning of Year</i>	11,832	11,832	0
<i>Prior Year Encumbrances Appropriated</i>	<u>71,350</u>	<u>71,350</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$6,702</u></u>	<u><u>\$8,259</u></u>	<u><u>\$1,557</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$25,170	\$22,302	(\$2,868)
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	42,506	42,505	1
<i>Excess of Revenues Under Expenditures</i>	(17,336)	(20,203)	(2,867)
Other Financing Sources:			
Transfers-In	19,041	19,041	0
<i>Net Change in Fund Balance</i>	1,705	(1,162)	(2,867)
<i>Fund Balance at Beginning of Year</i>	13,295	13,295	0
<i>Fund Balance at End of Year</i>	\$15,000	\$12,133	(\$2,867)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and Donations	\$2,000	\$1,059	(\$941)
Other	40,800	17,704	(23,096)
<i>Total Revenues</i>	42,800	18,763	(24,037)
Expenditures:			
Current:			
Public Safety			
Safety City			
Personal Services	2,162	1,603	559
Contractual Services	5,500	4,408	1,092
Materials and Supplies	11,850	11,437	413
<i>Total Public Safety</i>	19,512	17,448	2,064
Capital Outlay	97,000	84,104	12,896
<i>Total Expenditures</i>	116,512	101,552	14,960
<i>Excess of Revenues Under Expenditures</i>	(73,712)	(82,789)	(9,077)
Other Financing Sources:			
Proceeds from Sale of Capital Assets	5,000	3,601	(1,399)
<i>Net Change in Fund Balance</i>	(68,712)	(79,188)	(10,476)
<i>Fund Balance at Beginning of Year</i>	147,888	147,888	0
<i>Prior Year Encumbrances Appropriated</i>	7,757	7,757	0
<i>Fund Balance at End of Year</i>	\$86,933	\$76,457	(\$10,476)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$1,800	\$3,557	\$1,757
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	1,000	0	1,000
Capital Outlay	3,000	2,450	550
<i>Total Expenditures</i>	4,000	2,450	1,550
<i>Net Change in Fund Balance</i>	(2,200)	1,107	3,307
<i>Fund Balance at Beginning of Year</i>	9,205	9,205	0
<i>Fund Balance at End of Year</i>	\$7,005	\$10,312	\$3,307

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$24,000	\$31,599	\$7,599
Other	0	52	52
<i>Total Revenues</i>	24,000	31,651	7,651
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	80,222	80,222	0
<i>Net Change in Fund Balance</i>	(56,222)	(48,571)	7,651
<i>Fund Balance at Beginning of Year</i>	306,772	306,772	0
<i>Prior Year Encumbrances Appropriated</i>	31,934	31,934	0
<i>Fund Balance at End of Year</i>	\$282,484	\$290,135	\$7,651

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,510	\$1,991	(\$1,519)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	1,300	1,080	220
Capital Outlay	5,700	5,700	0
<i>Total Expenditures</i>	7,000	6,780	220
<i>Net Change in Fund Balance</i>	(3,490)	(4,789)	(1,299)
<i>Fund Balance at Beginning of Year</i>	7,861	7,861	0
<i>Fund Balance at End of Year</i>	\$4,371	\$3,072	(\$1,299)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$500	\$1,113	\$613
Intergovernmental	3,800	7,194	3,394
Contributions and Donations	10,000	10,000	0
Other	5,000	0	(5,000)
<i>Total Revenues</i>	<u>19,300</u>	<u>18,307</u>	<u>(993)</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	14,500	13,000	1,500
Materials and Supplies	21,815	21,815	0
<i>Total Public Safety</i>	36,315	34,815	1,500
Capital Outlay	45,985	36,172	9,813
Debt Service:			
Principal Retirement	20,000	20,000	0
<i>Total Expenditures</i>	<u>102,300</u>	<u>90,987</u>	<u>11,313</u>
<i>Net Change in Fund Balance</i>	(83,000)	(72,680)	10,320
<i>Fund Balance at Beginning of Year</i>	158,840	158,840	0
<i>Prior Year Encumbrances Appropriated</i>	<u>11,800</u>	<u>11,800</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$87,640</u>	<u>\$97,960</u>	<u>\$10,320</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$115,650	\$117,036	\$1,386
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	88,502	83,426	5,076
Contractual Services	4,000	3,000	1,000
<i>Total Public Safety</i>	92,502	86,426	6,076
Capital Outlay	6,000	6,000	0
<i>Total Expenditures</i>	98,502	92,426	6,076
<i>Net Change in Fund Balance</i>	17,148	24,610	7,462
<i>Fund Balance at Beginning of Year</i>	42,179	42,179	0
<i>Prior Year Encumbrances Appropriated</i>	2,989	2,989	0
<i>Fund Balance at End of Year</i>	\$62,316	\$69,778	\$7,462

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$16,016	\$16,016	\$0
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	16,000	15,939	61
<i>Net Change in Fund Balance</i>	16	77	61
<i>Fund Balance at Beginning of Year</i>	359	359	0
<i>Prior Year Encumbrances Appropriated</i>	1	1	0
<i>Fund Balance at End of Year</i>	\$376	\$437	\$61

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$16,849	\$16,712	(\$137)
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	14,000	14,000	0
Capital Outlay	15,182	15,182	0
<i>Total Expenditures</i>	29,182	29,182	0
<i>Net Change in Fund Balance</i>	(12,333)	(12,470)	(137)
<i>Fund Balance at Beginning of Year</i>	76,829	76,829	0
<i>Prior Year Encumbrances Appropriated</i>	7,257	7,257	0
<i>Fund Balance at End of Year</i>	\$71,753	\$71,616	(\$137)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$114,798	\$119,119	\$4,321
Intergovernmental	41,958	41,958	0
<i>Total Revenues</i>	<u>156,756</u>	<u>161,077</u>	<u>4,321</u>
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	44,711	34,954	9,757
Contractual Services	48,200	31,000	17,200
Materials and Supplies	2,500	2,500	0
<i>Total General Government</i>	<u>95,411</u>	<u>68,454</u>	<u>26,957</u>
Capital Outlay	120,412	96,958	23,454
<i>Total Expenditures</i>	<u>215,823</u>	<u>165,412</u>	<u>50,411</u>
<i>Net Change in Fund Balance</i>	(59,067)	(4,335)	54,732
<i>Fund Balance at Beginning of Year</i>	301,819	301,819	0
<i>Prior Year Encumbrances Appropriated</i>	<u>14,865</u>	<u>14,865</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$257,617</u></u>	<u><u>\$312,349</u></u>	<u><u>\$54,732</u></u>

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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$39,000	\$26,897	(\$12,103)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	31,253	31,253	0
<i>Net Change in Fund Balance</i>	7,747	(4,356)	(12,103)
<i>Fund Balance at Beginning of Year</i>	99,052	99,052	0
<i>Prior Year Encumbrances Appropriated</i>	11,253	11,253	0
<i>Fund Balance at End of Year</i>	<u>\$118,052</u>	<u>\$105,949</u>	<u>(\$12,103)</u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$119,649	\$51,125	(\$68,524)
Expenditures:			
Current:			
Community Development			
Personal Services	2,257	337	1,920
Contractual Services	29,867	24,063	5,804
<i>Total Expenditures</i>	32,124	24,400	7,724
<i>Excess of Revenues Over Expenditures</i>	87,525	26,725	(60,800)
Other Financing Uses:			
Advances-Out	(140,000)	(140,000)	0
<i>Net Change in Fund Balance</i>	(52,475)	(113,275)	(60,800)
<i>Fund Balance at Beginning of Year</i>	8,527	8,527	0
<i>Prior Year Encumbrances Appropriated</i>	112,473	112,473	0
<i>Fund Balance at End of Year</i>	\$68,525	\$7,725	(\$60,800)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Police/Fire Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,519,311	\$1,518,729	(\$582)
Intergovernmental	40,000	0	(40,000)
Other	15,400	0	(15,400)
<i>Total Revenues</i>	<u>1,574,711</u>	<u>1,518,729</u>	<u>(55,982)</u>
Expenditures:			
Current:			
Public Safety			
Police Patrol			
Personal Services	225,858	206,331	19,527
Contractual Services	44,200	38,809	5,391
Materials and Supplies	37,186	22,085	15,101
<i>Total Police Patrol</i>	<u>307,244</u>	<u>267,225</u>	<u>40,019</u>
Fire Operations			
Personal Services	198,323	169,222	29,101
Contractual Services	43,500	38,568	4,932
Materials and Supplies	42,024	40,959	1,065
<i>Total Fire Operations</i>	<u>283,847</u>	<u>248,749</u>	<u>35,098</u>
<i>Total Public Safety</i>	<u>591,091</u>	<u>515,974</u>	<u>75,117</u>
Capital Outlay	357,186	332,563	24,623
Debt Service:			
Principal Retirement	47,500	47,500	0
Interest and Fiscal Charges	618	617	1
<i>Total Debt Service</i>	<u>48,118</u>	<u>48,117</u>	<u>1</u>
<i>Total Expenditures</i>	<u>996,395</u>	<u>896,654</u>	<u>99,741</u>
<i>Excess of Revenues Over Expenditures</i>	<u>578,316</u>	<u>622,075</u>	<u>43,759</u>
Other Financing Sources (Uses):			
Advances-In	144,000	144,000	0
Advances-Out	(144,000)	(144,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	578,316	622,075	43,759
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$578,316</u>	<u>\$622,075</u>	<u>\$43,759</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$60,000	\$35,076	(\$24,924)
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	79,175	64,175	15,000
<i>Net Change in Fund Balance</i>	(19,175)	(29,099)	(9,924)
<i>Fund Balance at Beginning of Year</i>	36,791	36,791	0
<i>Prior Year Encumbrances Appropriated</i>	24,362	24,362	0
<i>Fund Balance at End of Year</i>	\$41,978	\$32,054	(\$9,924)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$83,000	\$82,199	(\$801)
Special Assessments	262,380	244,735	(17,645)
<i>Total Revenues</i>	<u>345,380</u>	<u>326,934</u>	<u>(18,446)</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	2,100	1,748	352
Debt Service:			
Principal Retirement	217,000	217,000	0
Interest and Fiscal Charges	163,800	163,751	49
<i>Total Debt Service</i>	<u>380,800</u>	<u>380,751</u>	<u>49</u>
<i>Total Expenditures</i>	<u>382,900</u>	<u>382,499</u>	<u>401</u>
<i>Net Change in Fund Balance</i>	(37,520)	(55,565)	(18,045)
<i>Fund Balance at Beginning of Year</i>	<u>251,075</u>	<u>251,075</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$213,555</u></u>	<u><u>\$195,510</u></u>	<u><u>(\$18,045)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$376,576	\$376,576	\$0
Expenditures:			
Capital Outlay	376,576	376,576	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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$169,730	\$172,904	\$3,174
Expenditures:			
Current:			
General Government			
Skyway Plaza Improvement			
Personal Services	85,530	85,256	274
Contractual Services	1,500	1,500	0
Materials and Supplies	11,000	11,000	0
Total General Government	98,030	97,756	274
Capital Outlay	13,298	13,298	0
<i>Total Expenditures</i>	111,328	111,054	274
<i>Net Change in Fund Balance</i>	58,402	61,850	3,448
<i>Fund Balance at Beginning of Year</i>	118,813	118,813	0
<i>Prior Year Encumbrances Appropriated</i>	8,267	8,267	0
<i>Fund Balance at End of Year</i>	\$185,482	\$188,930	\$3,448

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$3,624	\$1,624
Intergovernmental	380,185	362,451	(17,734)
<i>Total Revenues</i>	<u>382,185</u>	<u>366,075</u>	<u>(16,110)</u>
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	106,764	106,764	0
Materials and Supplies	46,352	16,352	30,000
<i>Total General Government</i>	153,116	123,116	30,000
Capital Outlay	842,870	809,939	32,931
<i>Total Expenditures</i>	<u>995,986</u>	<u>933,055</u>	<u>62,931</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(613,801)</u>	<u>(566,980)</u>	<u>46,821</u>
Other Financing Sources:			
Advances-In	100,000	0	(100,000)
Transfers-In	167,000	166,571	(429)
<i>Total Other Financing Sources</i>	<u>267,000</u>	<u>166,571</u>	<u>(100,429)</u>
<i>Net Change in Fund Balance</i>	(346,801)	(400,409)	(53,608)
<i>Fund Balance at Beginning of Year</i>	436,847	436,847	0
<i>Prior Year Encumbrances Appropriated</i>	<u>198,030</u>	<u>198,030</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$288,076</u></u>	<u><u>\$234,468</u></u>	<u><u>(\$53,608)</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$150,000	\$153,222	\$3,222
Charges for Services	20,984	20,984	0
Investment Earnings	1,000	1,982	982
Intergovernmental	219,535	219,535	0
Other	8,500	4,887	(3,613)
<i>Total Revenues</i>	<u>400,019</u>	<u>400,610</u>	<u>591</u>
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	5,000	0	5,000
Capital Outlay	716,867	716,289	578
<i>Total Expenditures</i>	<u>721,867</u>	<u>716,289</u>	<u>5,578</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(321,848)</u>	<u>(315,679)</u>	<u>6,169</u>
Other Financing Sources (Uses):			
Advances-In	100,000	100,000	0
Advances-Out	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(246,848)	(240,679)	6,169
<i>Fund Balance at Beginning of Year</i>	98,456	98,456	0
<i>Prior Year Encumbrances Appropriated</i>	<u>162,403</u>	<u>162,403</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$14,011</u>	<u>\$20,180</u>	<u>\$6,169</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$506,851	\$526,177	\$19,326
Charges for Services	22,575	22,575	0
Investment Earnings	2,857	4,208	1,351
<i>Total Revenues</i>	<u>532,283</u>	<u>552,960</u>	<u>20,677</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Contractual Services	69,875	50,473	19,402
Materials and Supplies	165,106	144,147	20,959
<i>Total General Government</i>	234,981	194,620	40,361
Capital Outlay	352,137	651,506	(299,369)
<i>Total Expenditures</i>	<u>587,118</u>	<u>846,126</u>	<u>(259,008)</u>
<i>Net Change in Fund Balance</i>	(54,835)	(293,166)	(238,331)
<i>Fund Balance at Beginning of Year</i>	289,672	289,672	0
<i>Prior Year Encumbrances Appropriated</i>	65,460	65,460	0
<i>Fund Balance at End of Year</i>	<u><u>\$300,297</u></u>	<u><u>\$61,966</u></u>	<u><u>(\$238,331)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,000	\$1,000	\$0
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	35,726	32,450	3,276
Materials and Supplies	33,912	33,912	0
<i>Total General Government</i>	69,638	66,362	3,276
Capital Outlay	74,668	64,668	10,000
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges	405,000	405,000	0
	18,479	17,825	654
<i>Total Debt Service</i>	423,479	422,825	654
<i>Total Expenditures</i>	567,785	553,855	13,930
<i>Excess of Revenues Under Expenditures</i>	(566,785)	(552,855)	13,930
Other Financing Sources:			
Notes Issued	310,000	310,000	0
Transfers-In	255,000	234,406	(20,594)
Premium on Debt Issued	2,155	2,155	0
<i>Total Other Financing Sources</i>	567,155	546,561	(20,594)
<i>Net Change in Fund Balance</i>	370	(6,294)	(6,664)
<i>Fund Balance at Beginning of Year</i>	27,370	27,370	0
<i>Prior Year Encumbrances Appropriated</i>	29,166	29,166	0
<i>Fund Balance at End of Year</i>	\$56,906	\$50,242	(\$6,664)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$160,000	\$185,325	\$25,325
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	2,200	1,658	542
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	33,500	33,412	88
<i>Total Debt Service</i>	118,500	118,412	88
<i>Total Expenditures</i>	120,700	120,070	630
<i>Net Change in Fund Balance</i>	39,300	65,255	25,955
<i>Fund Balance at Beginning of Year</i>	50,747	50,747	0
<i>Fund Balance at End of Year</i>	\$90,047	\$116,002	\$25,955

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$20,000	\$3,336	(\$16,664)
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	21,619	15,753	5,866
Capital Outlay	166,600	166,558	42
Debt Service:			
Interest and Fiscal Charges	1,500	573	927
<i>Total Expenditures</i>	<u>189,719</u>	<u>182,884</u>	<u>6,835</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(169,719)</u>	<u>(179,548)</u>	<u>(9,829)</u>
Other Financing Sources:			
Notes Issued	175,000	175,000	0
Premium on Notes Issued	1,431	1,431	0
<i>Total Other Financing Sources</i>	<u>176,431</u>	<u>176,431</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,712	(3,117)	(9,829)
<i>Fund Balance at Beginning of Year</i>	89,565	89,565	0
<i>Prior Year Encumbrances Appropriated</i>	10,838	10,838	0
<i>Fund Balance at End of Year</i>	<u>\$107,115</u>	<u>\$97,286</u>	<u>(\$9,829)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
National Road Improvement Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$798,355	\$798,355	\$0
Expenditures:			
Capital Outlay	798,355	798,355	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, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Equipment Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,188,498	\$1,222,135	\$33,637
Other	500	180	(320)
<i>Total Revenues</i>	<u>1,188,998</u>	<u>1,222,315</u>	<u>33,317</u>
Expenses:			
Personal Services	536,374	520,411	15,963
Contractual Services	64,959	60,360	4,599
Materials and Supplies	701,592	698,626	2,966
Capital Outlay	17,000	17,000	0
<i>Total Expenses</i>	<u>1,319,925</u>	<u>1,296,397</u>	<u>23,528</u>
<i>Excess of Revenues Under Expenses</i>	(130,927)	(74,082)	56,845
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	1,629	1,629
<i>Net Change in Fund Equity</i>	(130,927)	(72,453)	58,474
<i>Fund Equity at Beginning of Year</i>	142,928	142,928	0
<i>Prior Year Encumbrances Appropriated</i>	<u>34,319</u>	<u>34,319</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$46,320</u></u>	<u><u>\$104,794</u></u>	<u><u>\$58,474</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$524,764	\$525,207	\$443
Other	150	2,977	2,827
<i>Total Revenues</i>	<u>524,914</u>	<u>528,184</u>	<u>3,270</u>
Expenses:			
Personal Services	347,542	338,905	8,637
Contractual Services	176,018	127,637	48,381
Materials and Supplies	14,376	14,215	161
Capital Outlay	103,165	77,292	25,873
<i>Total Expenses</i>	<u>641,101</u>	<u>558,049</u>	<u>83,052</u>
<i>Net Change in Fund Equity</i>	(116,187)	(29,865)	86,322
<i>Fund Equity at Beginning of Year</i>	103,130	103,130	0
<i>Prior Year Encumbrances Appropriated</i>	48,012	48,012	0
<i>Fund Equity at End of Year</i>	<u><u>\$34,955</u></u>	<u><u>\$121,277</u></u>	<u><u>\$86,322</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$5,000	\$3,121	(\$1,879)
Expenses:			
Personal Services	5,000	3,121	1,879
Contractual Services	6,063	5,323	740
<i>Total Expenses</i>	11,063	8,444	2,619
<i>Excess of Revenues Under Expenses</i>	(6,063)	(5,323)	740
Non-Operating Revenues:			
Interest	500	1,165	(665)
<i>Net Change in Fund Equity</i>	(5,563)	(4,158)	(1,405)
<i>Fund Equity at Beginning of Year</i>	151,479	151,479	0
<i>Fund Equity at End of Year</i>	\$145,916	\$147,321	(\$1,405)

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FAIRBORN

A CITY IN MOTION

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	174-183
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	184-193
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	194-201
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	202-205
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	206-209
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

	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$52,488,251	\$54,537,585	\$56,578,526	\$57,492,409
Restricted	9,740,033	6,871,704	9,231,712	11,579,836
Unrestricted (Deficit)	5,223,383	9,007,506	7,221,856	5,834,667
<i>Total Governmental Activities Net Position</i>	<u>\$67,451,667</u>	<u>\$70,416,795</u>	<u>\$73,032,094</u>	<u>\$74,906,912</u>
Business-Type Activities				
Net Investment in Capital Assets	\$10,090,771	\$9,928,349	\$11,700,861	\$12,903,901
Unrestricted	6,670,119	7,169,040	6,733,325	6,413,278
<i>Total Business-Type Activities Net Position</i>	<u>\$16,760,890</u>	<u>\$17,097,389</u>	<u>\$18,434,186</u>	<u>\$19,317,179</u>
Total Primary Government				
Net Investment in Capital Assets	\$62,579,022	\$64,465,934	\$68,279,387	\$70,396,310
Restricted	9,740,033	6,871,704	9,231,712	11,579,836
Unrestricted	11,893,502	16,176,546	13,955,181	12,247,945
<i>Total Primary Government Net Position</i>	<u>\$84,212,557</u>	<u>\$87,514,184</u>	<u>\$91,466,280</u>	<u>\$94,224,091</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

2010	2011	2012	2013	2014 (1)	2015 (1)
\$58,223,118	\$59,259,234	\$59,885,657	\$60,422,126	\$61,971,834	\$62,817,281
10,917,852	13,249,832	13,272,202	12,832,977	9,206,263	10,484,017
6,468,379	7,587,718	11,621,608	13,227,049	(7,228,899)	(7,781,865)
<u>\$75,609,349</u>	<u>\$80,096,784</u>	<u>\$84,779,467</u>	<u>\$86,482,152</u>	<u>\$63,949,198</u>	<u>\$65,519,433</u>
\$12,913,413	\$12,778,599	\$12,182,697	\$10,370,449	\$10,132,357	\$10,497,587
7,461,531	9,037,992	10,509,882	13,781,547	13,991,246	15,319,546
<u>\$20,374,944</u>	<u>\$21,816,591</u>	<u>\$22,692,579</u>	<u>\$24,151,996</u>	<u>\$24,123,603</u>	<u>\$25,817,133</u>
\$71,136,531	\$72,037,833	\$72,068,354	\$70,792,575	\$72,104,191	\$73,314,868
10,917,852	13,249,832	13,272,202	12,832,977	9,206,263	10,484,017
13,929,910	16,625,710	22,131,490	27,008,596	6,762,347	7,537,681
<u>\$95,984,293</u>	<u>\$101,913,375</u>	<u>\$107,472,046</u>	<u>\$110,634,148</u>	<u>\$88,072,801</u>	<u>\$91,336,566</u>

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

	2006	2007	2008	2009
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$4,804,288	\$4,255,380	\$4,468,225	\$4,735,434
Public Safety	1,498,951	1,637,736	1,643,651	1,570,569
Leisure Time Activities	65,446	64,074	15,800	15,431
Community Development	254,979	279,014	0	0
Transportation and Street Repair	0	897	0	0
Public Health and Welfare	32,022	29,696	27,171	46,576
Operating Grants, Contributions and Interest	2,504,549	2,910,842	2,852,492	3,312,494
Capital Grants, Contributions and Interest	2,186,866	672,689	1,867,845	2,049,859
Total Governmental Activities Program Revenues	11,347,101	9,850,328	10,875,184	11,730,363
Business-Type Activities:				
Charges for Services:				
Water	2,759,818	2,975,569	3,410,484	3,535,657
Sewer	4,840,354	4,944,647	5,466,151	5,571,836
Sanitation	2,144,265	2,246,696	2,396,874	2,482,526
Operating Grants, Contributions and Interest:				
Water	0	0	5,813	2,657
Sewer	0	0	3,170	1,800
Capital Grants, Contributions and Interest:				
Water	0	0	0	37,460
Sewer	0	0	0	44,330
Total Business-Type Activities Program Revenues	9,744,437	10,166,912	11,282,492	11,676,266
Total Primary Government Program Revenues	21,091,538	20,017,240	22,157,676	23,406,629
Expenses:				
Governmental Activities:				
General Government	10,850,767	9,425,790	8,784,812	9,093,180
Public Safety	13,282,937	12,753,371	13,011,273	13,664,046
Leisure Time Activities	486,746	300,073	301,791	389,573
Community Development	1,147,616	1,042,518	932,039	1,030,438
Transportation and Street Repair	1,214,199	1,391,534	1,461,350	2,044,120
Public Health and Welfare	109,854	103,575	79,371	91,313
Interest and Fiscal Charges	598,655	726,456	577,333	523,675
Intergovernmental	0	0	195,085	207,546
Total Governmental Activities Expenses	27,690,774	25,743,317	25,343,054	27,043,891
Business-Type Activities:				
Water	3,038,417	3,289,099	3,274,444	3,421,387
Sewer	5,155,747	4,514,767	4,717,417	4,339,587
Sanitation	2,054,612	2,523,416	2,109,350	2,702,870
Total Business-Type Activities Expenses	10,248,776	10,327,282	10,101,211	10,463,844
Total Primary Government Expenses	\$37,939,550	\$36,070,599	\$35,444,265	\$37,507,735

2010	2011	2012	2013	2014	2015 (3)
\$4,546,522	\$5,006,470	\$5,321,951	\$4,797,028	\$4,894,322	\$4,958,113
2,243,439	1,580,842	2,242,606	2,277,370	2,056,636	2,271,404
17,755	20,555	20,668	19,345	18,477	20,984
0	0	0	0	26,642	51,233
0	0	16,031	22,314	26,954	9,570
31,559	40,585	41,825	41,267	32,391	27,344
2,601,148	3,119,605	3,313,243	3,001,991	3,306,043	3,299,247
1,154,072	3,224,212	1,178,734	857,836	935,184	1,430,177
10,594,495	12,992,269	12,135,058	11,017,151	11,296,649	12,068,072
3,737,937	3,957,558	4,199,695	4,168,835	4,304,620	4,104,119
5,754,670	5,936,952	6,505,548	6,640,578	6,687,253	6,651,226
2,525,807	2,502,118	2,542,620	2,636,893	2,763,166	2,754,574
0	0	0	0	0	0
51,742	0	0	0	0	0
27,700	43,300	65,235	0	36,480	71,290
39,540	46,865	56,005	0	25,547	58,820
12,137,396	12,486,793	13,369,103	13,446,306	13,817,066	13,640,029
22,731,891	25,479,062	25,504,161	24,463,457	25,113,715	25,708,101
10,210,347	9,358,187	8,905,813	10,125,094	9,957,291	10,198,666
13,166,582	13,148,808	12,978,270	13,969,809	14,285,206	14,786,740
509,311	353,854	332,663	452,199	404,947	450,208
1,096,602	1,107,951	1,374,945	1,156,363	4,681,346	2,259,182
1,829,298	1,858,735	3,421,331	2,617,619	3,328,628	3,338,726
91,846	96,966	96,413	103,185	116,391	117,755
459,319	216,742	346,865	270,515	214,784	210,577
222,316	361,216	223,589	0	0	0
27,585,621	26,502,459	27,679,889	28,694,784	32,988,593	31,361,854
3,456,025	3,211,043	3,450,401	4,038,081	4,468,043	3,997,386
5,382,287	5,334,436	6,635,220	5,578,285	5,484,171	5,547,509
2,328,675	2,550,934	2,449,113	2,721,970	2,572,478	2,591,785
11,166,987	11,096,413	12,534,734	12,338,336	12,524,692	12,136,680
\$38,752,608	\$37,598,872	\$40,214,623	\$41,033,120	\$45,513,285	\$43,498,534

(continued)

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

	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental Activities	(\$16,343,673)	(\$15,892,989)	(\$14,467,870)	(\$15,313,528)
Business-Type Activities	(504,339)	(160,370)	1,181,281	1,212,422
Total Primary Government Net Expenses	(16,848,012)	(16,053,359)	(13,286,589)	(14,101,106)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for: (1)				
General Purposes	2,458,468	2,174,289	1,751,432	1,604,334
Fire and EMS	0	0	373,158	373,388
Police	0	0	0	148,183
Debt Service	160,196	146,175	133,767	149,933
Street Lighting	0	0	142,205	134,505
Special Revenue	2,303,320	564,276	0	0
Capital Projects	80,359	159,966	0	0
Other Local Taxes	0	0	840,651	738,667
Municipal Income Taxes (2)	8,985,856	11,791,441	0	0
Municipal Income Taxes Levied For:				
General Purposes	0	0	8,488,898	7,384,148
Street Programs	0	0	2,060,948	1,853,273
Capital Outlay	0	0	2,030,024	1,848,135
Revenue in Lieu of Taxes	0	0	294,409	310,823
Grants and Entitlements not				
Restricted to Specific Programs	1,432,939	2,357,094	2,072,364	2,148,568
Unrestricted Contributions	60,711	0	0	0
Investment Earnings	895,623	1,048,527	958,903	125,503
Refunds and Reimbursements	219,905	0	0	0
Other	240,363	227,875	410,769	368,886
Transfers-Internal Activities	(8,181)	(11,212)	0	0
Total Governmental Activities	16,829,559	18,458,431	19,557,528	17,188,346
Business-Type Activities:				
Investment Earnings	184,557	259,186	113,524	126,621
Other	96,979	76,471	41,992	31,975
Transfers-Internal Activities	8,181	11,212	0	0
Total Business-Type Activities	289,717	346,869	155,516	158,596
Total Primary Government	17,119,276	18,805,300	19,713,044	17,346,942
Prior Year Restatement of Governmental Activities Net Position	0	399,686	0	0
Prior Year Restatement of Business-Type Activities Net Position	0	150,000	0	(488,025)
Change in Net Position:				
Governmental Activities	485,886	2,965,128	5,089,658	1,874,818
Business-Type Activities	(214,622)	336,499	1,336,797	882,993
Total Primary Government	\$271,264	\$3,301,627	\$6,426,455	\$2,757,811

(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

(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2010	2011	2012	2013	2014	2015 (3)
(\$16,991,126)	(\$13,510,190)	(\$15,544,831)	(\$17,677,633)	(\$21,691,944)	(\$19,293,782)
970,409	1,390,380	834,369	1,107,970	1,292,374	1,503,349
(16,020,717)	(12,119,810)	(14,710,462)	(16,569,663)	(20,399,570)	(17,790,433)
1,645,992	1,551,379	822,926	834,730	847,262	782,489
380,949	545,417	2,189,418	2,210,684	2,240,812	2,045,353
152,106	340,974	2,189,418	2,210,683	2,240,812	2,045,353
149,388	114,364	0	0	0	0
139,667	124,253	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
712,099	810,109	841,187	823,386	828,945	847,768
0	0	0	0	0	0
7,739,285	7,759,131	8,125,170	7,733,646	8,080,790	8,231,278
1,931,190	1,946,526	2,030,750	1,934,815	2,018,698	2,057,256
1,931,190	1,946,525	2,030,749	1,934,815	2,018,698	2,057,248
339,114	332,269	379,278	362,657	419,134	428,715
2,158,308	1,890,415	1,076,446	1,271,868	968,659	1,765,047
0	0	0	0	0	0
16,369	135,217	63,005	(53,893)	442,641	191,381
0	0	0	0	0	0
397,906	501,046	479,167	418,299	580,160	412,129
0	0	0	(301,372)	0	0
17,693,563	17,997,625	20,227,514	19,380,318	20,686,611	20,864,017
57,526	25,838	23,729	13,118	30,708	52,369
29,830	25,429	17,890	36,957	149,596	137,812
0	0	0	301,372	0	0
87,356	51,267	41,619	351,447	180,304	190,181
17,780,919	18,048,892	20,269,133	19,731,765	20,866,915	21,054,198
0	0	0	0	0	63,949,198
0	0	0	0	0	24,123,603
702,437	4,487,435	4,682,683	1,702,685	(1,005,333)	65,519,433
1,057,765	1,441,647	875,988	1,459,417	1,472,678	25,817,133
\$1,760,202	\$5,929,082	\$5,558,671	\$3,162,102	\$467,345	\$91,336,566

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	245,018	134,360	202,949	243,901
Unreserved	<u>5,202,888</u>	<u>5,577,044</u>	<u>4,496,405</u>	<u>3,522,534</u>
Total General Fund	<u>5,447,906</u>	<u>5,711,404</u>	<u>4,699,354</u>	<u>3,766,435</u>
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	1,916,625	747,853	650,135	2,017,230
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	2,500,629	2,342,636	2,678,806	3,274,776
Debt Service Fund	380,838	369,454	346,215	325,721
Capital Projects Funds	<u>(1,980,179)</u>	<u>(899,905)</u>	<u>(541,650)</u>	<u>(334,303)</u>
Total all Other Governmental Funds	<u>2,817,913</u>	<u>2,560,038</u>	<u>3,133,506</u>	<u>5,283,424</u>
All Governmental Funds	<u><u>\$8,265,819</u></u>	<u><u>\$8,271,442</u></u>	<u><u>\$7,832,860</u></u>	<u><u>\$9,049,859</u></u>

(1) The City implemented GASB 54 in 2011.

2010 (1)	2011	2012	2013	2014	2015
\$28,888	\$46,497	\$54,586	\$25,166	\$23,665	\$14,298
213,705	171,849	262,679	608,978	755,130	983,752
3,371,738	3,410,686	7,894,685	9,382,356	10,042,544	9,480,017
0	0	0	0	0	0
0	0	0	0	0	0
3,614,331	3,629,032	8,211,950	10,016,500	10,821,339	10,478,067
1,284,429	3,412,502	3,329,972	69,678	200,574	166,271
6,575,123	7,071,041	7,360,699	7,176,384	6,062,520	7,295,377
374,831	491,291	561,203	254,549	309,296	119,119
474,042	593,902	495,287	586,058	625,356	419,469
(2,553,880)	(3,123,216)	(730,233)	(309,636)	(122,498)	(1,079)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,154,545	8,445,520	11,016,928	7,777,033	7,075,248	7,999,157
\$9,768,876	\$12,074,552	\$19,228,878	\$17,793,533	\$17,896,587	\$18,477,224

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

	2006	2007	2008	2009
Revenues:				
Property Taxes	\$0	\$0	\$2,389,176	\$2,425,711
Other Local Taxes	0	0	840,651	738,667
Municipal Income Taxes	0	0	10,194,655	11,185,796
Revenue in Lieu of Taxes	0	0	294,409	310,823
Taxes (1)	14,340,781	14,175,271	0	0
Fines, Licenses and Permits	1,835,529	1,946,954	2,404,118	2,002,352
Charges for Services	4,257,434	3,943,296	3,368,842	4,151,360
Investment Earnings	895,623	1,049,461	1,000,056	233,256
Intergovernmental	5,164,926	5,196,126	6,287,601	6,028,951
Special Assessments	543,391	477,094	317,084	302,578
Contributions and Donations	0	0	0	542,430
Other	521,639	289,418	410,769	368,886
Total Revenues	27,559,323	27,077,620	27,507,361	28,290,810
Expenditures:				
Current:				
General Government	6,477,723	6,066,276	6,780,642	6,826,870
Public Safety	12,564,172	12,254,446	12,519,358	12,902,125
Leisure Time Activities	410,110	211,967	206,165	280,300
Community Development	1,059,955	1,004,676	915,623	1,010,774
Transportation and Street Repair	1,018,784	1,328,606	1,123,628	1,654,970
Public Health and Welfare	89,967	104,930	79,775	88,814
Capital Outlay	11,390,490	4,252,263	4,545,832	2,387,313
Intergovernmental	0	0	195,085	207,546
Debt Service:				
Principal Retirement	1,387,422	1,562,422	1,540,702	1,706,369
Interest and Fiscal Charges	626,558	755,436	625,846	546,730
Issuance Costs	0	0	0	0
Total Expenditures	35,025,181	27,541,022	28,532,656	27,611,811
Excess of Revenues				
Over (Under) Expenditures	(7,465,858)	(463,402)	(1,025,295)	678,999
Other Financing Sources (Uses):				
Premium on Debt Issued	0	0	0	0
Note Proceeds	0	0	0	0
Proceeds from the Sale of Capital Assets	65,300	15,237	0	0
Issuance of Long-Term Capital-Related Debt	505,000	465,000	0	0
Special Assessments Bond Issued	0	0	280,000	135,000
General Obligation Bonds Issued	0	0	0	0
Refunding Notes Issued	0	0	135,000	403,000
Inception of Capital Lease	0	0	171,713	0
Transfers-In	4,077,630	4,127,372	4,839,170	10,563,476
Transfers-Out	(4,085,811)	(4,138,584)	(4,839,170)	(10,563,476)
Total Other Financing Sources (Uses)	562,119	469,025	586,713	538,000
Prior Year Restatement of Restricted Fund Balance	0	0	0	0
Net Change in Fund Balances	(\$6,903,739)	\$5,623	(\$438,582)	\$1,216,999
Debt Service as a Percentage				
of Noncapital Expenditures	6.6%	5.8%	9.2%	9.0%

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

2010	2011	2012	2013	2014	2015
\$2,458,646	\$2,415,919	\$5,235,512	\$5,404,927	\$5,270,213	\$5,033,037
712,099	810,109	841,187	823,386	828,945	847,768
11,442,949	11,574,407	11,994,955	11,691,107	11,911,179	12,165,582
339,114	332,269	379,278	362,657	419,134	428,715
0	0	0	0	0	0
1,817,598	1,638,566	1,639,486	1,679,445	1,809,801	1,701,365
4,868,341	5,048,274	5,778,812	5,342,261	5,370,812	5,552,844
165,647	168,589	101,427	(48,747)	488,097	184,960
5,914,059	6,236,284	6,535,383	4,942,122	4,722,891	5,945,544
414,979	416,412	363,052	321,577	295,972	197,000
0	46,558	9,276	1,427	5,384	11,059
397,906	501,046	498,594	418,299	580,160	412,129
<u>28,531,338</u>	<u>29,188,433</u>	<u>33,376,962</u>	<u>30,938,461</u>	<u>31,702,588</u>	<u>32,480,003</u>
7,517,523	7,025,927	6,410,454	7,359,127	7,121,226	6,987,945
12,772,786	12,379,650	12,282,513	13,351,123	13,496,787	13,815,117
391,574	201,592	169,189	281,564	229,166	247,569
1,080,457	1,087,343	1,349,975	1,133,762	1,655,251	2,259,829
1,460,195	1,763,864	3,309,867	2,607,811	3,258,464	3,234,742
90,865	95,111	94,743	102,948	115,122	117,097
2,505,157	1,699,918	2,014,611	2,896,232	3,399,872	4,335,287
222,316	216,742	223,589	215,666	253,670	243,390
2,040,492	2,478,903	1,755,570	3,328,691	2,136,024	715,368
485,687	384,476	363,988	321,975	255,058	219,918
852	11,510	0	0	0	0
<u>28,567,904</u>	<u>27,345,036</u>	<u>27,974,499</u>	<u>31,598,899</u>	<u>31,920,640</u>	<u>32,176,262</u>
<u>(36,566)</u>	<u>1,843,397</u>	<u>5,402,463</u>	<u>(660,438)</u>	<u>(218,052)</u>	<u>303,741</u>
583	0	16,193	47,589	6,935	2,155
0	0	0	517,500	310,000	270,000
0	22,279	4,484	25,921	4,171	4,741
0	0	0	0	0	0
0	320,000	120,000	0	0	0
45,000	0	0	1,630,000	0	0
710,000	120,000	1,611,186	0	0	0
0	0	0	0	0	0
10,226,724	9,644,754	4,870,028	5,878,722	6,654,118	7,370,918
<u>(10,226,724)</u>	<u>(9,644,754)</u>	<u>(4,870,028)</u>	<u>(5,878,722)</u>	<u>(6,654,118)</u>	<u>(7,370,918)</u>
<u>755,583</u>	<u>462,279</u>	<u>1,751,863</u>	<u>2,221,010</u>	<u>321,106</u>	<u>276,896</u>
0	0	0	(2,995,917)	0	0
<u>\$719,017</u>	<u>\$2,305,676</u>	<u>\$7,154,326</u>	<u>(\$1,435,345)</u>	<u>\$103,054</u>	<u>\$580,637</u>
9.7%	11.2%	8.2%	12.6%	8.4%	3.4%

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

Assessed 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
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
2015	498,165,380	1,423,329,657	14,621,720	16,615,591	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		Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated Actual Value	Ratio	
\$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	8.82
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
512,787,100	1,439,945,248	35.61	11.30

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

	2006	2007	2008	2009
Unvoted Millage				
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy				
1976 Current Expense				
Residential/Agricultural Real	1.2566	1.2535	1.1784	1.1787
Commercial/Industrial and Public Utility Real	1.9108	1.9210	1.7922	1.8323
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000
1976 Street Light				
Residential/Agricultural Real	0.2356	0.2350	0.2209	0.2210
Commercial/Industrial and Public Utility Real	0.3583	0.3602	0.3360	0.3436
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	0.4179	0.4169	0.3919	0.3920
Commercial/Industrial and Public Utility Real	0.5575	0.5604	0.5229	0.5345
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	0.2800	0.3000	0.3000
Commercial/Industrial and Public Utility Real	0.3000	0.2800	0.3000	0.3000
General Business and Public Utility Personal	0.3000	0.2800	0.3000	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	2.21010	2.18540	2.09120	2.09170
Commercial/Industrial and Public Utility Real	3.12660	3.12160	2.95110	3.01040
General Business and Public Utility Personal	7.00000	6.98000	7.00000	7.00000
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	4.71010	4.68540	4.59120	4.59170
Commercial/Industrial and Public Utility Real	5.62660	5.62160	5.45110	5.51040
General Business and Public Utility Personal	9.50000	9.48000	9.50000	9.50000
<i>Weighted Average</i>	8.95000	8.89000	8.85000	8.78000

2010	2011	2012	2013	2014	2015
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$1.90000	\$1.90000
1.1799	0.0000	0.0000	0.0000	0.0000	0.0000
1.8505	0.0000	0.0000	0.0000	0.0000	0.0000
4.8000	0.0000	0.0000	0.0000	0.0000	0.0000
0.2212	0.0000	0.0000	0.0000	0.0000	0.0000
0.3470	0.0000	0.0000	0.0000	0.0000	0.0000
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	0.0000
0.3924	0.0000	0.0000	0.0000	0.0000	0.0000
0.5398	0.0000	0.0000	0.0000	0.0000	0.0000
1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.2500	0.0000	0.0000	0.0000	0.0000	0.0000
0.2500	0.0000	0.0000	0.0000	0.0000	0.0000
0.2500	0.0000	0.0000	0.0000	0.0000	0.0000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
0.00000	4.40000	4.40000	4.40000	4.70000	4.70000
2.04350	8.80000	8.80000	8.80000	9.40000	9.40000
2.98730	8.80000	8.80000	8.80000	9.40000	9.40000
6.95000	8.80000	8.80000	8.80000	9.40000	9.40000
4.54350	11.30000	11.30000	11.30000	11.30000	11.30000
5.48730	11.30000	11.30000	11.30000	11.30000	11.30000
9.45000	11.30000	11.30000	11.30000	11.30000	11.30000
8.80000	8.80000	8.80000	8.80000	8.80000	11.30000

(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

	2006	2007	2008	2009
Fairborn City School District				
Residential/Agricultural Real	\$22.4001	\$30.7001	\$30.1000	\$30.0066
Commercial/Industrial and Public Utility Real	24.0142	32.4080	31.0102	31.2887
General Business and Public Utility Personal	44.2000	52.5000	51.9000	51.8000
Greene County Joint Vocational School District				
Residential/Agricultural Real	2.5720	2.5692	2.5269	2.5285
Commercial/Industrial and Public Utility Real	2.6661	2.6501	2.6030	2.6776
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500
General Health District				
Residential/Agricultural Real	0.4971	0.4948	0.4570	0.4573
Commercial/Industrial and Public Utility Real	0.5000	0.4954	0.4598	0.4731
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
Greene County				
Residential/Agricultural Real	10.6950	10.6547	10.0302	10.9944
Commercial/Industrial and Public Utility Real	11.1652	11.0849	10.4644	11.5388
General Business and Public Utility Personal	11.5500	11.5500	11.5500	12.2500

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.

2010	2011	2012	2013	2014	2015
\$30.1277	\$32.2323	\$32.0765	\$32.1015	\$33.1700	\$33.1900
31.4438	33.0970	33.1848	33.5243	34.0200	34.0300
51.9000	52.6500	52.5000	52.5000	52.6500	52.6500
2.5316	2.6460	2.6473	2.6494	2.6600	2.6500
2.6963	2.8188	2.8285	2.8550	2.8700	2.8000
3.4500	3.4500	3.4500	3.4500	3.4500	3.4500
0.4578	0.8000	0.8000	0.8000	0.8000	0.8000
0.4763	0.8000	0.8000	0.8000	0.8000	0.7800
0.5000	0.8000	0.8000	0.8000	0.8000	0.8000
11.5834	11.2744	11.2772	11.2842	11.6900	13.4900
11.5388	11.8825	11.9065	11.9692	12.4100	13.9300
12.2500	12.2500	12.2500	12.2500	12.6500	14.4500

City of Fairborn, Ohio
Principal Property Tax Payers
 2015 and 2006
 Schedule 7

Taxpayer	2015	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$10,953,260	2.14%
Charter Woods LLC	6,246,030	1.22%
NL Core Avalon Place	4,236,570	0.83%
Brinley Place LLC	3,618,600	0.71%
2377 Commerce Center Blvd. LLC	3,124,750	0.61%
Stag Fairborn LLC	2,879,860	0.56%
Vectren Energy	2,704,960	0.53%
Presidential Drive LP	2,634,980	0.52%
Trebein Limited LLC	2,480,260	0.48%
Highlands Apartments Phase I	2,442,190	0.48%
Total Principal Property Tax Payers	41,321,460	8.06%
Total All Others	471,465,640	91.94%
Total Assessed Value	\$512,787,100	100.00%
	2006	
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$7,642,020	1.41%
Charter Woods LLC	6,155,900	1.13%
Char-Bhai Group LLC	4,838,520	0.89%
Wright Executive Hotel	4,782,520	0.88%
2377 Commerce Center Blvd.	3,956,090	0.73%
Highland Apartments	3,134,650	0.58%
Property Associates LLC	3,098,380	0.57%
Miami Valley Publishing Co. Inc.	3,045,800	0.56%
Ohio Bell Telephone	2,928,220	0.54%
Trebein Limited ADK III	2,894,220	0.53%
Total Principal Property Tax Payers	42,476,320	7.82%
Total All Others	500,983,173	92.18%
Total Assessed Value	\$543,459,493	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
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	6,302,433	5,706,071	90.54%	199,257	5,905,328	93.70%
2015	6,089,098	5,437,886	89.31%	207,400	5,645,286	92.71%

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.



FAIRBORN

A CITY IN MOTION

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					
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%
2015	9,642,019	1,631,346	11,273,365	810,618	0	12,083,983	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
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
2015	95,000	588,831	270,539	0	0	1,399,160	65,825

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 15.

(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
\$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
14,087,518	80,000	0	8,342	2,793,746	1,555	19,390,516	0.29%	580

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
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
2015	14,182,518	1,439,945,248	33,452	0.98%	423.97

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2015 Est.)

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, 2015
 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	\$95,000	100.00%	\$95,000
Special Assessment Bonds	588,831	100.00%	588,831
Notes Payable (3)	270,539	100.00%	270,539
Tax Increment Financing Revenue Bonds	1,399,160	100.00%	1,399,160
Capital Lease Obligations	65,825	100.00%	65,825
Total Direct Debt	<u>2,419,355</u>		<u>2,419,355</u>
Overlapping Debt:			
Greene County	125,387,000	13.78%	17,278,329
Beavercreek City School District (2)	91,762,980	31.34%	28,758,518
Fairborn City School District (2)	<u>13,750,326</u>	81.44%	<u>11,198,265</u>
Total Overlapping Debt	<u>230,900,306</u>		<u>57,235,112</u>
Grand Total	<u><u>\$233,319,661</u></u>		<u><u>\$59,654,467</u></u>

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, 2015.

(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

	2006	2007	2008	2009
Total Assessed Valuation	\$543,459,493	\$539,014,389	\$540,176,197	\$570,379,988
Overall debt limitation - 10.5% of assessed valuation	<u>57,063,247</u>	<u>56,596,511</u>	<u>56,718,501</u>	<u>59,889,899</u>
Debt Outstanding				
General Obligation Bonds	8,265,000	6,735,000	5,740,000	4,725,000
Income Tax Revenue Bonds	8,470,000	7,570,000	6,650,000	5,690,000
Special Assessment Bonds	1,386,111	2,162,412	2,100,000	1,919,000
Loans Payable	2,545,022	2,168,182	1,771,044	1,360,678
Bond Anticipation Notes	8,650,000	9,070,000	13,505,000	14,428,762
Total Gross Indebtedness	<u>29,316,133</u>	<u>27,705,594</u>	<u>29,766,044</u>	<u>28,123,440</u>
Less Exempt Debt				
General Obligation Bonds	6,590,000	5,655,000	4,850,000	4,030,000
Income Tax Revenue Bonds	8,470,000	7,570,000	6,650,000	5,690,000
Special Assessment Bonds	1,386,111	2,162,412	2,100,000	1,919,000
Loans Payable	2,545,022	2,168,182	1,771,044	1,360,678
Bond Anticipation Notes	8,650,000	9,070,000	13,505,000	14,428,762
Total Exempt Debt	<u>27,641,133</u>	<u>26,625,594</u>	<u>28,876,044</u>	<u>27,428,440</u>
Net Debt Subject to Limitation	1,675,000	1,080,000	890,000	695,000
Less amount available in the Debt Service Fund	<u>623,570</u>	<u>369,454</u>	<u>346,215</u>	<u>325,721</u>
Total Net Debt Subject to Limitation	<u>1,051,430</u>	<u>710,546</u>	<u>543,785</u>	<u>369,279</u>
Legal debt margin within 10.5% limitation	<u>\$56,011,817</u>	<u>\$55,885,965</u>	<u>\$56,174,716</u>	<u>\$59,520,620</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.2%	98.7%	99.0%	99.4%
Unvoted debt limitation 5.5% of assessed valuation	\$29,890,272	\$29,645,791	\$29,709,691	\$31,370,899
Debt Outstanding	<u>29,316,133</u>	<u>27,705,594</u>	<u>29,766,044</u>	<u>28,123,440</u>
Less Exempt Debt				
General Obligation Bonds	6,590,000	5,655,000	4,850,000	4,030,000
Income Tax Revenue Bonds	8,470,000	7,570,000	6,650,000	5,690,000
Special Assessment Bonds	1,386,111	2,162,412	2,100,000	1,919,000
Loans Payable	2,545,022	2,168,182	1,771,044	1,360,678
Bond Anticipation Notes	8,650,000	9,070,000	13,505,000	14,428,762
Total Exempt Debt	<u>27,641,133</u>	<u>26,625,594</u>	<u>28,876,044</u>	<u>27,428,440</u>
Net Debt Subject to Limitation	1,675,000	1,080,000	890,000	695,000
Less amount available in the Debt Service Fund	<u>623,570</u>	<u>369,454</u>	<u>346,215</u>	<u>325,721</u>
Total Net Debt Subject to Limitation	<u>1,051,430</u>	<u>710,546</u>	<u>543,785</u>	<u>369,279</u>
Legal debt margin within 5.5% limitation	<u>\$28,838,842</u>	<u>\$28,935,245</u>	<u>\$29,165,906</u>	<u>\$31,001,620</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	96.5%	97.6%	98.2%	98.8%

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

2010	2011	2012	2013	2014	2015
\$564,153,550	\$566,692,030	\$524,652,220	\$530,399,900	\$511,398,860	\$512,787,100
59,236,123	59,502,663	55,088,483	55,691,990	53,696,880	53,842,646
11,205,000	10,115,000	9,560,082	15,272,286	16,326,563	15,581,678
4,690,000	3,585,000	2,440,000	1,245,000	0	0
1,557,000	1,509,000	1,300,000	1,035,000	874,000	667,000
919,043	568,607	202,578	41,714	25,028	8,342
6,747,762	7,692,762	8,403,500	715,000	410,000	3,078,900
25,118,805	23,470,369	21,906,160	18,309,000	17,635,591	19,335,920
10,635,000	9,725,000	9,210,082	14,962,286	14,639,732	14,087,518
4,690,000	3,585,000	2,440,000	1,245,000	0	0
1,557,000	1,509,000	1,300,000	1,035,000	874,000	667,000
919,043	568,607	202,578	41,714	25,028	8,342
6,747,762	7,692,762	8,403,500	715,000	410,000	3,078,900
24,548,805	23,080,369	21,556,160	17,999,000	15,948,760	17,841,760
570,000	390,000	350,000	310,000	1,686,831	1,494,160
295,174	283,373	237,023	295,670	251,075	195,510
274,826	106,627	112,977	14,330	1,435,756	1,298,650
\$58,961,297	\$59,396,036	\$54,975,506	\$55,677,660	\$52,261,124	\$52,543,996
99.5%	99.8%	99.8%	100.0%	97.3%	97.6%
\$31,028,445	\$31,168,062	\$28,855,872	\$29,171,995	\$28,126,937	\$28,203,291
25,118,805	23,470,369	21,906,160	18,309,000	17,635,591	19,335,920
10,635,000	9,725,000	9,210,082	14,962,286	14,639,732	14,087,518
4,690,000	3,585,000	2,440,000	1,245,000	0	0
1,557,000	1,509,000	1,300,000	1,035,000	874,000	667,000
919,043	568,607	202,578	41,714	25,028	8,342
6,747,762	7,692,762	8,403,500	715,000	410,000	3,078,900
24,548,805	23,080,369	21,556,160	17,999,000	15,948,760	17,841,760
570,000	390,000	350,000	310,000	1,686,831	1,494,160
295,174	283,373	237,023	295,670	251,075	195,510
274,826	106,627	112,977	14,330	1,435,756	1,298,650
\$30,753,619	\$31,061,435	\$28,742,895	\$29,157,665	\$26,691,181	\$26,904,641
99.1%	99.7%	99.6%	100.0%	94.9%	95.4%

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	
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	0.00%
2015	0	0	0	0	0	0.00%

(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 reported prior to 2008 are on the cash basis.

Income Tax Revenue Bonds

Municipal Income Taxes (2)	Debt Service Requirements			Coverage
	Principal	Interest	Total	
\$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%
0	0	0	0	0.00%

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)
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%
2015	33,452	6,690,015 (5)	22,959 (5)	4.1%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2015 Est.)
 - (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 or 2015; the 2013 amounts were used as an estimate

City of Fairborn, Ohio
Principal Employers
2015 and 2008 (2)
Schedule 16

2015	
Employer	Number of Employees
Wright Patterson AFB	27,500
Wright State University	3,750
Fairborn City Schools	617
Teleperformance USA Inc.	500
Morris Home Furniture Co.	443
Peerless	300
Ali Industries	282
City of Fairborn	267
Kroger	206
I-Supply	173
Total Employees	34,038

2008	
Employer	Number of Employees
Wright Patterson AFB	24,817
Wright State University	2,492
Fairborn City Schools	650
Logtec (1)	248
Ball Aerospace	275
Wright-Patt Credit Union	400
Northrop Grumman	250
City of Fairborn	250
Transcontinental Printing (1)	194
Total Employees	29,576

Source: Community Development Division

- (1) Denotes corporate headquarters
- (2) Information is not available for 2006 or 2007

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	2006	2007	2008	2009
General Government				
City Council	4.0	0.9	1.4	1.4
Municipal Court	24.0	28.9	29.5	30.1
City Administration	3.5	3.8	3.0	4.0
Finance	14.0	15.3	12.8	13.4
Legal	2.0	2.0	2.0	2.0
Personnel	1.0	1.0	1.0	1.0
Engineering	5.5	6.1	6.1	6.4
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	9.6	8.8	8.8
Victim Witness	2.0	1.9	1.8	1.8
Public Safety (1)				
Police				
Sworn Officers	47.5	43.0	43.0	43.0
Non-Sworn	16.0	18.6	18.9	18.9
Fire	51.0	52.0	51.7	51.5
Community Environment				
Building Inspection	5.0	4.9	4.9	5.5
City Planner	3.0	2.3	2.8	2.5
Neighborhood Betterment	3.5	3.6	2.9	2.8
Economic Development				
Leisure Time Activities				
Parks and Recreation	1.5	1.3	1.5	1.6
Transportation and Street Repair				
Street	10.0	10.0	9.4	10.0
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	17.0	17.4	16.6	16.6
Sewer	23.0	21.7	22.5	21.9
Sanitation	1.0	1.1	1.1	1.6
Internal Service				
ITS	2.0	3.0	3.0	2.8
Equipment Services	7.0	7.1	7.1	7.1
Total	258.0	257.5	254.3	257.0

Source: Various City Departments

(1) Information obtained from department annual reports.

2010	2011	2012	2013	2014	2015
1.4	1.4	1.4	1.4	1.4	1.4
29.3	26.2	26.6	27.1	27.3	28.2
3.0	3.0	3.0	3.0	3.0	3.0
13.9	13.2	11.6	12.6	12.6	12.5
2.0	2.5	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.5	1.5	2.5
6.4	5.3	4.5	4.5	4.5	5.4
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0
8.5	8.4	8.4	8.4	8.4	8.5
2.0	2.0	2.0	2.0	2.0	2.0
42.0	42.0	43.0	42.0	43.0	46.0
18.9	17.0	12.5	18.5	19.0	19.0
51.5	47.5	49.5	51.5	51.5	54.5
5.5	5.4	4.2	4.3	4.0	4.0
2.5	2.3	2.3	2.3	3.5	4.8
2.6	3.5	3.6	4.1	4.2	3.2
	0.0	0.0	1.5	1.5	2.0
2.1	2.1	2.2	2.5	2.8	2.6
10.0	10.1	10.4	11.4	12.4	11.9
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.5	1.5
16.6	16.7	15.7	18.7	17.4	17.6
21.9	22.1	21.1	17.8	18.4	18.6
2.1	1.1	1.6	1.6	1.6	2.1
2.9	2.9	2.9	2.9	3.7	3.7
7.1	6.1	5.1	6.1	6.1	6.1
<u>255.1</u>	<u>243.8</u>	<u>236.6</u>	<u>249.7</u>	<u>254.2</u>	<u>264.1</u>

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

Function/Program	2006	2007	2008	2009
General government				
Municipal Court				
Criminal and Traffic Cases	19,043	19,634	18,369	15,728
Criminal and Traffic Trials	96	106	83	67
Criminal and Traffic Receipts (in 000's)	\$2,983	\$3,034	\$3,245	\$3,035
Civil/Small Claims Cases	2,072	2,146	2,410	2,022
Civil/Small Claims Trials	897	587	1,190	1,054
Civil/Small Claims Receipts (in 000's)	\$581	\$729	\$900	\$809
Security of Persons and Property				
Police				
Calls for Service	37,252	34,981	37,250	35,482
Parking Violations	932	852	689	979
Traffic Violations	5,400	6,218	5,986	4,820
Criminal Citations	3,478	3,506	3,740	3,183
Training Hours	4,691	4,008	2,739	3,741
Fire				
Emergency Responses	5,872	6,000	6,214	6,095
Inspections	1,157	1,177	1,200	1,100
Training Hours	6,980	5,924	5,400	4,487
Community Environment				
Planning and Development				
Residential Construction Permits Issued	1,040	1,044	806	1,048
Estimated Value of Residential Construction	\$11,939,843	\$17,515,016	\$10,092,588	\$30,159,074
Commercial Construction Permits Issued	361	359	380	290
Estimated value of Commercial Construction	\$23,925,526	\$17,655,180	\$25,416,559	\$6,188,505
Parks and Recreation				
Softball Registrations	72	86	100	93
Weekday Fast-Pitch Registrations (youth) (1)	0	0	0	0
Weekend Softball Tournaments	46	40	57	64
Water				
New Connections	91	83	68	70
Water Main Breaks	22	42	42	33
Average Daily Consumption (millions of gallons)	3.594	3.414	3.300	3.300
Peak Daily Consumption (millions of gallons)	4.730	4.690	4.730	4.240
Total Water Treated (millions of gallons)	1,320	1,260	1,202	1,212
Average Daily Treatment (millions of gallons)	3.6	3.4	3.3	3.3
Hydrants Flushed	1,460	1,423	1,423	1,463
Sewer				
Total Water Treated (millions of gallons)	1,581	1,636	1,669	1,530
Average Daily Treatment (millions of gallons)	4.3	4.5	4.6	4.2

Source: Various City Departments

(1) New youth softball category added in 2014

2010	2011	2012	2013	2014	2015
13,877	13,388	13,677	13,516	15,187	14,258
85	62	76	70	70	47
\$2,791	\$2,747	\$2,634	\$2,792	\$2,768	\$2,801
2,116	1,857	1,765	1,672	1,914	1,735
965	853	819	429	600	115
\$874	\$896	\$881	\$743	\$754	\$822
35,194	32,601	34,709	44,920	49,640	49,038
822	761	946	1,315	1,439	1,272
4,063	3,947	4,123	5,226	4,585	4,302
1,690	1,362	2,174	2,521	2,640	2,462
1,814	2,595	3,636	3,391	4,397	5,084
6,287	6,464	6,479	6,007	6,479	6,861
889	1,300	1,300	1,156	1,087	646
1,700	2,300	2,300	2,064	2,397	2,831
1,068	1,125	1,120	984	1,114	1,086
\$20,844,967	\$25,238,437	\$18,449,074	\$7,012,006	\$14,450,637	\$14,299,730
312	389	395	395	433	457
\$6,021,792	\$5,285,194	\$18,962,948	\$7,012,006	\$5,078,437	\$19,682,700
65	64	63	54	25	28
0	0	0	0	26	21
55	72	72	61	35	36
49	62	68	63	93	40
44	33	55	88	53	59
2.445	2,415.000	3.600	3.400	3.460	3.290
4.258	4,012.000	4.900	5.110	4.310	4.680
1,203	1,200	1,359	1,213	1,140	1,200
3.3	3.5	3.7	3.5	3.5	3.3
1,353	1,500	1,503	1,029	1,496	1,482
1,550	1,943	1,479	1,524	1,479	1,600
4.3	5.3	4.0	4.2	4.4	4.4

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

Function/Program	2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol units	31	30	30	30
Fire Stations	3	4	4	4
Public Works				
Area of City (square miles)	13.41	13.41	13.41	13.40
Streets (lane miles)	293.10	294.20	294.94	294.94
Streetlights	2,342	2,495	2,512	2,512
Parks and Recreation				
Number of Parks	19	19	19	20
Acreage	686.61	686.57	686.57	714.30
Playgrounds	18	17	17	18
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	5.40	5.40	5.40
Water Mains (miles)	148.56	149.37	149.78	149.78
Fire hydrants	1,460	1,457	1,470	1,477
Sewers				
Daily Treatment Capacity (millions of gallons)	(1) 6.00	6.00	6.00	6.00
Storm Sewers (miles)	110.66	111.57	112.32	112.32
Sanitary Sewers (miles)	135.78	136.50	136.20	136.50

Source: Various City Departments

(1) Information was corrected from prior years.

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
30	13	13	13	13	14
4	4	4	4	4	4
13.41	13.41	13.41	13.53	14.01	14.71
296.13	297.27	298.15	299.24	299.52	300.00
2,506	2,514	2,552	2,553	2,553	2,768
20	20	20	20	20	20
715.00	712.33	714.33	714.33	714.33	719.11
18	19	19	19	20	20
15	15	15	11	11	10
12	12	12	12	12	12
14	14	14	14	14	10
5.40	6.50	6.50	6.50	6.50	6.50
149.93	151.78	152.26	152.96	154.06	155.84
1,412	1,493	1,493	1,500	1,505	1,505
6.00	6.00	6.00	6.00	6.00	6.00
113.16	113.82	114.60	114.60	115.08	117.42
137.52	138.02	138.65	138.81	138.93	139.15



FAIRBORN

A CITY IN MOTION

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



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
NOVEMBER 10, 2016**