

CITY OF FAIRBORN, OHIO

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

December 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Mayor and City Council
City of Fairborn
44 West Hebble Avenue
Fairborn, Ohio 45324-4999

We have reviewed the Independent Auditor's Report of the City of Fairborn, Greene County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

July 2, 2001

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CITY OF FAIRBORN, OHIO

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

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

To the Mayor and City Council
City of Fairborn, Ohio

We have audited the general purpose financial statements of the City of Fairborn, Ohio (the City), as of and for the year ended December 31, 2000, and have issued our report thereon dated June 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 4, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 4, 2001.

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

Clark, Schaefer, Hockett & Co.

Springfield, Ohio

June 4, 2001

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

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

To the Mayor and City Council
City of Fairborn, Ohio

Compliance

We have audited the compliance of the City of Fairborn, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Fairborn, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated June 4, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of City of Fairborn, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Clark, Schaefer, Hockett & Co.
Springfield, Ohio
June 4, 2001

CITY OF FAIRBORN, OHIO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2000

	<u>Federal CFDA</u>	<u>Project Number</u>	<u>Awards</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban: Development:				
Community Development Block Grant:				
Entitlement Grant	14.218	B-99-MC-39-0032	\$ 433,000	\$ 77,788
	14.218	B-98-MC-39-0032	433,000	10,378
	14.218	B-97-MC-39-0032	443,000	33,059
	14.218	B-96-MC-39-0032	454,000	11,566
	14.218	B-00-MC-39-0032	432,000	326,640
				<u>459,431</u>
U.S. Department of Transportation (Passing through Office of Public Safety):				
Highway Safety Program Agreement	20.600	1150	12,000	12,000
Highway Safety Program Agreement	20.600	11490	20,000	10,959
				<u>22,959</u>
U.S. Department of Justice (Passing through Office of Criminal Justice):				
Local Law Enforcement Block Grant	16.592	1999-LB-VX-7811	15,934	15,934
Total				\$ <u>498,324</u>

See notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

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

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

CITY OF FAIRBORN, OHIO
DECEMBER 31, 2000

1. SUMMARY OF AUDITORS' RESULTS

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

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

Findings: None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings: None

**CITY OF FAIRBORN, OHIO
DECEMBER 31, 2000**

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

None

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CITY OF FAIRBORN, OHIO



Comprehensive Annual Financial Report

For Year Ended December 31, 2000



THE CITY OF FAIRBORN, OHIO

GREENE COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2000

Issued by:
Department of Finance

Daniel N. Smith
Director



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PART I
INTRODUCTORY SECTION





City of Fairborn

44 West Hebble Avenue
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Fax: (937) 879-7395



June 14, 2001

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

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn, ("the City") for the year ended December 31, 2000. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

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

The Report

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

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

The Reporting Entity

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

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

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

The City of Fairborn

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

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

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

Economic Condition and Outlook

Fairborn's economic growth continued at a steady pace in 2000 with balanced expansion of the City's residential, commercial and industrial bases.

The Fairfield Commons Mall and its surrounding area, located adjacent to the City of Fairborn, experienced continued growth during 2000. The growth resulted in additional jobs, which provided employment opportunities throughout the area, including the City of Fairborn. The Fairfield Commons Mall will have a significant effect on Fairborn's economy in 2001 and future years.

The Nutter Center at Wright State University celebrated its 10th anniversary of presenting nationally prominent entertainers such as Cher, Tina Turner, Red Hot Chili Peppers, Brooks & Dunn, Creed, KISS, Kenny Rogers, WWF Wrestling, Champions on Ice, AC/DC and others. Performances by such popular entertainers attract crowds from Ohio, Indiana and Kentucky, bringing additional revenues into the local economy. In addition, the Nutter Center is home to both the Wright State Raiders Basketball team and the Dayton Bombers Hockey team. Overall, the Nutter Center has remained one of the prominent concert centers in the Midwest.

New housing in Fairborn was bustling in 2000. Housing starts were substantial, with 266 dwelling units initiated, 72 of which were single family dwellings. Single family housing development in Fairborn primarily occurred in Fawn Ridge and Autumn Creek. Additional developments were approved in Chapel Gate, the Sanctuary and Cornerstone, totaling almost 400 single family homes. Also approved in 2000 were plans for Park Hills Communities, a planned community for residents 55 and older. Multi-family housing increases in 2000 were attributed to the addition of units in Charter Woods.

Commercial and industrial growth continued at a steady pace in 2000. Projects included the building of Ramada Inn and Hawthorne Suites Motel, Arby's Restaurant, the Honors Center for Wright State University and other projects. In addition, Miami Chemical announced its plans to renovate and occupy the vacated Atlas Cement Plant located on State Route 444.

National defense policy is of some concern to the City of Fairborn due to its major employer, Wright Patterson Air Force Base. Employment at Wright Patterson remained stable in 2000. Among other duties, the Air Force Base readies Air Force weapons systems worldwide, researches and designs new systems, develops flight vehicle technology and conducts scientific and technical studies on potential threats from major adversaries. All of these tasks are considered essential to the nation's safety; therefore, little, if any, significant change is anticipated in the employment at the air base. In fact, staff reductions at other bases have created the potential for increases in some functions at Wright Patterson.

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

Major Initiatives

For the Year

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

Construction was completed on the North Trunk/Rona Hills Sewer, which will increase development opportunities in that area. This project will expand the sewer capacity for development in the northern area of Fairborn.

Development continued at the new Commerce Center development in 2000. In addition to the Kroger Superstore currently operating, other businesses such as Skyline Chili, Mail Boxes Etc., Frameworks, Blimpies, GNC, and Liberty Bank opened in 2000.

The meter change out program was completed in 2000. This program provided new meters for all 11,000 water customers. These new meters will provide a more accurate measurement of consumption and more efficient meter readings through the radio meter-read process.

An aggressive local streets program was continued in 2000 by the infusion of \$300,000 of income tax funds. This program allowed substantial improvements to various streets throughout the community.

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

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

For the Future

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

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

Financial Information

Basis of Accounting

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

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

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2000 all accounting policies were applied consistently with those of 1999. Accounting policies are further explained in Note 1.

Internal Control Structure and Budgetary Controls

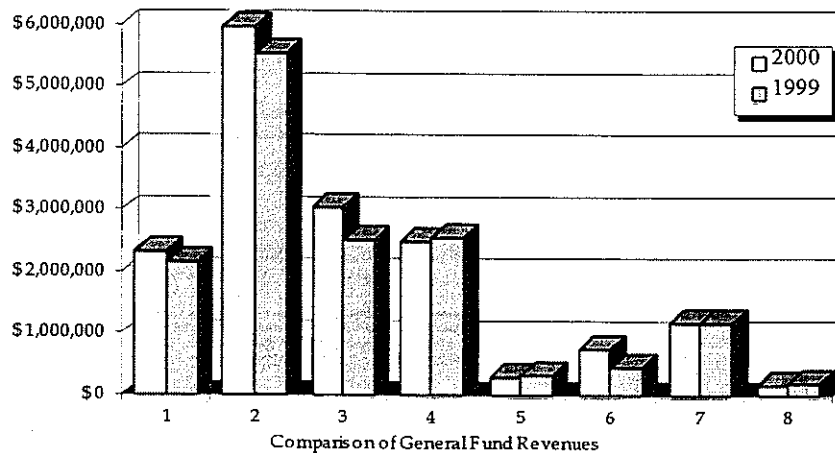
Development of the City's accounting system included consideration of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial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

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

General Fund Functions

The following schedule presents a summary of general fund revenues for the years ended December 31, 1999 and 2000, the percentage of total revenues for each year and the amount and percentage of increase/(decrease) in relation to 1999 revenue.

Revenue Source	2000 Total	Percent of Total	1999 Total	Percent of Total	Increase (Decrease) over 1999	Percent of Increase (Decrease)
1. Property Taxes	\$2,332,918	14.35%	\$2,173,588	14.55%	\$159,330	7.33%
2. Municipal Income Taxes	5,964,964	36.70%	5,532,125	37.03%	432,839	7.82%
3. Intergovernmental Revenues	3,049,305	18.76%	2,526,711	16.91%	522,594	20.68%
4. Charges for Services	2,489,030	15.32%	2,550,169	17.07%	(61,139)	(2.40%)
5. Licenses and Permits	305,606	1.88%	321,738	2.15%	(16,132)	(5.01%)
6. Investment Earnings	764,261	4.70%	457,760	3.06%	306,501	66.96%
7. Fines and Forfeitures	1,179,021	7.25%	1,187,002	7.95%	(7,981)	(0.67%)
8. All Other Revenues	167,010	1.04%	190,684	1.28%	(23,674)	(12.42%)
Total	<u>\$16,252,115</u>	<u>100.00%</u>	<u>\$14,939,777</u>	<u>100.00%</u>	<u>\$1,312,338</u>	



Property tax revenue increased 7.33% primarily due to a reassessment in 2000.

Municipal income tax revenue reflects a 7.82% increase from 1999 which is indicative of the strong economy at the end of 1999. The 2000 municipal income tax revenue total was \$5,964,964, up \$432,839 from the 1999 total of \$5,532,125.

Intergovernmental revenues increased \$522,594 primarily due to an abnormally large inheritance and estate tax payment from the State of Ohio.

The 2.40% decline in Charges for Services was the result of a reduction in interfund charges to the City's Enterprise Funds from 1999 to 2000.

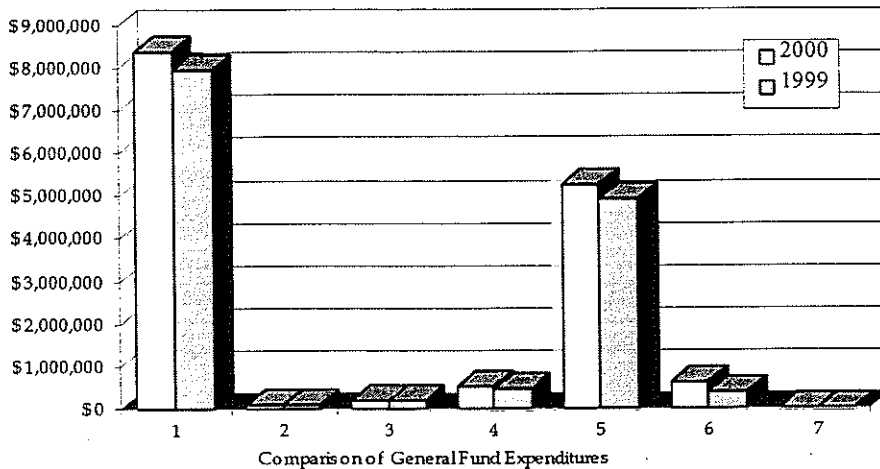
Licenses and permits dropped slightly (5.01%) due to a decline in building permits in 2000.

The large increase of 66.96% in investment earnings was due to increased interest income in 2000 and a more favorable market valuation of investments in 2000 than in the prior year.

All other revenue decreased 12.42% primarily due to a reduction in concession lease payments from the YMCA in 2000 and from the Fairborn Parks Foundation reduced contribution.

The following schedule presents a summary of general fund expenditures for the years ended December 31, 1999 and 2000, the percentage of total expenditures for each year and the amount and percentage of increase/(decrease) in relation to 1999 expenditures.

Function	2000 Total	Percent of Total	1999 Total	Percent of Total	Increase (Decrease) over 1999	Percent of Increase (Decrease)
1. Security of Persons and Property	\$8,415,019	55.94%	\$7,962,947	56.95%	\$452,072	5.68%
2. Public Health and Welfare	72,023	0.48%	67,886	0.49%	4,137	6.09%
3. Leisure Time Activities	174,572	1.16%	171,794	1.23%	2,778	1.62%
4. Community Environment	522,914	3.48%	477,321	3.41%	45,593	9.55%
5. General Government	5,255,363	34.93%	4,914,849	35.16%	340,514	6.93%
6. Capital Outlay	603,793	4.01%	385,490	2.76%	218,303	56.63%
7. Debt Service	0	0.00%	180	0.00%	(180)	(100.00%)
Total	\$15,043,684	100.00%	\$13,980,467	100.00%	\$1,063,217	



The 5.68% increase in Security of Persons and Property from 1999 to 2000 is attributable to salary and merit increases, increased costs in materials and supplies, the upgrading of three firefighters to the ranks of Lieutenant and unanticipated retirements.

The increase of 6.09% in Public Health and Welfare was due to the increased cost of the health services contract with the Greene County Health Department.

The 9.55% increase in Community Environment expenditures resulted from increased services required from the Community Development and Building Inspection Departments in order to keep up with the development and growth in the community. Another factor in the increase from the prior year was the retirement of one individual in the Building Inspection Department.

The General Government expenditures increase of 6.93% was due to normal increases in personnel, materials and supplies, and early retirements in the City Manager's Office.

The 56.63% increase in Capital Outlay expenditures resulted from the purchase and delivery of a fire truck for the Fire Prevention and Control Department.

General Fund Balance

The unreserved fund balance for the general fund amounted to \$4,462,869 at December 31, 2000. Portions of the fund balance will be used to finance the 2001 budget.

Special Revenue Funds

The City has numerous Special Revenue Funds. Revenues for those funds in 2000 totaled \$2,066,491. These revenues were comprised primarily of intergovernmental revenues in the form of state motor vehicle license fees and gasoline taxes. Property taxes in the amount of \$155,260 were also received. The majority of these revenues were spent for street lighting and street repairs and maintenance.

Debt Service Funds

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

Capital Projects Funds

Total revenues of \$893,164 were collected by the City's Capital Projects Funds in 2000. Financing for capital projects consisted of proceeds from the issue of \$700,000 in general obligation bond anticipation notes. Expenditures totaled \$1,491,687 in 2000. Major expenditures were the result of Issue II road projects, local street improvements, large drainage projects, replacement of an animal shelter, fuel tank replacements, a parking lot at Grand and Main, and land improvements to commercial property that will be repaid through Special Assessments.

Enterprise Funds

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

	Total Assets	Total Equity	Net Income (Loss)	Return on Assets	Return on Equity
Water	\$12,087,833	\$7,518,134	(\$157,355)	(1.302%)	(2.093%)
Sewer	14,232,311	6,797,512	112,672	0.792%	1.658%
Sanitation	1,218,788	612,618	78,309	6.425%	12.783%

The City Council increased sewer rates effective March 1994, to provide sufficient revenue to meet expenses, the Sewer Fund reflected net income of \$112,672 for the period ended December 31, 2000. The status of the Water, Sewer and Sanitation Funds is evaluated and presented to Council annually at budget time to determine if rate increases are necessary for the next year.

Internal Service Funds

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

	Total Assets	Total Equity	Net Income	Return on Assets	Return on Equity
Equipment	\$478,932	\$386,172	\$90	0.02%	0.02%
Self-Insurance	121,133	117,018	5,358	4.42%	4.58%

Debt Administration

As of December 31, 2000, the City had a number of debt issues outstanding: \$2,138,000 in general obligation voted bonded debt, \$2,086,000 in special assessment bonded debt with governmental commitment, \$3,695,000 in self-supporting general obligation bonded debt, \$4,141,982 in OWDA loans, \$250,282 in Ohio Public Works Commission loans, \$3,900,000 in general obligation bond anticipation notes, and \$67,456 in special assessment bond anticipation notes. The City has maintained its A rating from Moody's Investors Service on general obligation bond issues.

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

The City's debt position as of December 31, 2000, was as follows:

Overall Legal Debt Margin	\$43,900,630
Unvoted Legal Debt Margin	23,759,631
Net General Obligation Bonds Payable from Property Taxes	1,458,665
Net General Bonded Debt as a Percentage of Assessed Value	.34%
Net General Bonded Debt per Capita	\$45.51

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

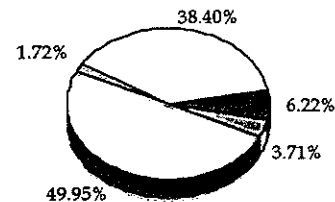
Cash Management

In July 1996, the City adopted changes to its investment policy and hired BondTech, Inc., as an investment consultant. With the guidance of BondTech, the City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the City's investment policy. The total interest earned was \$936,760 for the year ended December 31, 2000. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits.

The face value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

Cash Resources	2000	%
Cash	\$833,217	6.22
Discount Commercial Paper	496,984	3.71
Federal Government Securities	6,688,564	49.95
Investments (City's Debt)	230,456	1.72
STAR Ohio	5,142,509	38.40
Total Resources	<u>\$13,391,730</u>	<u>100.00</u>

2000



Risk Management

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

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

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

Other Information

Independent Audit

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

Employee Union Contracts

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

Awards

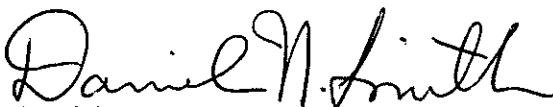
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairborn for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1999. This was the eleventh year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Sincerely,



Daniel N. Smith
Finance Director

**THE CITY OF FAIRBORN, OHIO
GREENE COUNTY
CITY OFFICIALS
AS OF DECEMBER 31, 2000**

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Larry L. Long, Mayor

Jack Wilson, Deputy Mayor

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

CITY MANAGER

Allen Rothermel

CITY SOLICITOR

Michael Mayer

ASSISTANT CITY MANAGER

Michael Cornell

FINANCE DIRECTOR/CITY CLERK

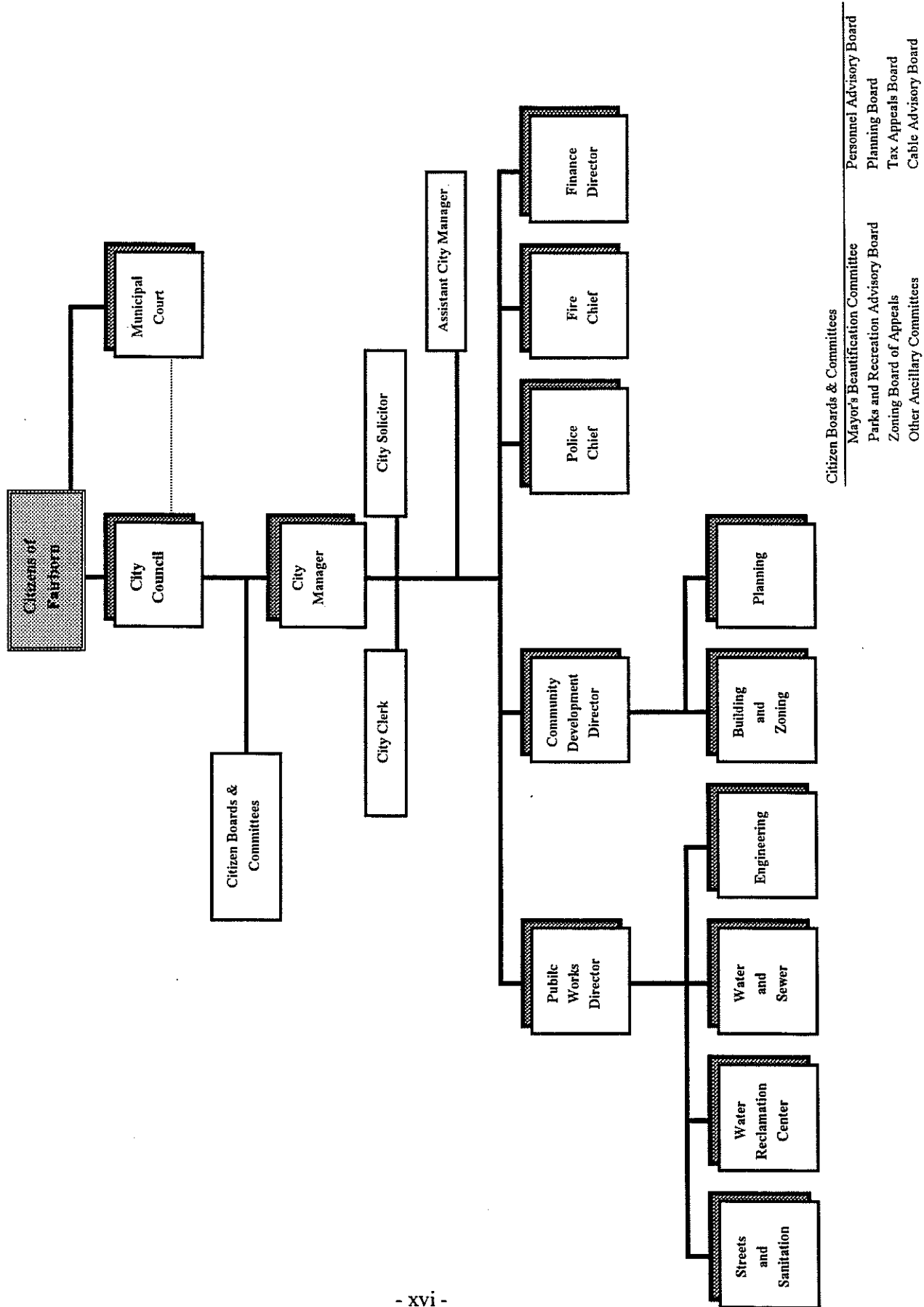
Daniel N. Smith

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Clark, Schaefer, Hackett and Company

The City of Fairborn, Ohio

Organizational Chart



Citizen Boards & Committees

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

Personnel Advisory Board

- Planning Board
- Tax Appeals Board
- Cable Advisory Board

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairborn,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinney
President

Jeffrey L. Esler
Executive Director



PART II
FINANCIAL SECTION





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

Independent Auditors' Report

To the Mayor and City Council
City of Fairborn, Ohio

We have audited the accompanying general purpose financial statements of the City of Fairborn, Ohio (City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Fairborn, Ohio as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2001 on our consideration of the City of Fairborn, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Clark, Schoeffer, Hackett & Co.
Springfield, Ohio
June 4, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2000 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF FAIRBORN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	Governmental				Proprietary			Fiduciary		Account		Totals (Memorandum Only)
	Fund Types				Fund Types			Fund Type		Groups		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Agency Fund	General Fixed Assets	General Long-Term Obligations			
Assets:												
Cash and Cash Equivalents	\$994,488	\$973,222	\$162,255	\$1,293,322	\$1,672,811	\$238,235	\$0	\$0	\$0	\$0	\$5,334,333	
Investments	3,287,068	0	513,778	458,606	3,063,849	92,703	0	0	0	0	7,416,004	
Receivables (net of allowance for doubtful accounts):												
Taxes	2,532,981	159,728	210,296	37,724	0	0	0	0	0	0	2,940,729	
Accounts	149,356	782	0	6,676	785,547	17,106	0	0	0	0	959,467	
Special Assessments	0	0	3,176,763	20,550	0	0	0	0	0	0	3,197,313	
Interest	114,335	0	5,069	3,934	2,431	461	0	0	0	0	126,230	
Due from Other Funds	74,770	7,642	0	18,044	921	10,633	0	0	0	0	112,010	
Intergovernmental Receivables	415,329	55,941	0	0	0	24,710	0	0	0	0	495,980	
Inventory of Supplies	34,406	58,840	0	0	130,302	81,323	0	0	0	0	304,871	
Prepaid Items	41,671	3,144	0	0	10,823	2,362	0	0	0	0	58,000	
Restricted Assets:												
Cash and Cash Equivalents	0	0	0	0	165,223	0	0	0	0	0	165,223	
Cash with Fiscal Agent	0	0	7,444	0	66,114	0	402,612	0	0	0	476,170	
Fixed Assets (net of accumulated depreciation)	0	0	0	0	19,853,595	132,532	0	16,061,973	0	0	36,048,100	
Construction in Progress	0	0	0	0	1,787,316	0	0	63,129	0	0	1,850,445	
Other Debits:												
Amount Available in Debt Service Funds	0	0	0	0	0	0	0	0	0	686,578	686,578	
Amount to be Provided for												
General Long-Term Obligations	0	0	0	0	0	0	0	0	0	4,853,855	4,853,855	
Total Assets and Other Debits	\$7,644,404	\$1,259,299	\$4,075,605	\$1,838,856	\$27,538,932	\$600,065	\$402,612	\$16,125,102	\$5,540,433	\$65,025,308		

(Continued)

Governmental **Proprietary** **Fiduciary** **Account**
Fund Types **Fund Types** **Fund Type** **Groups**

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type		Account Groups		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Agency Fund	General Fixed Assets	General Long-Term Obligations		
Liabilities, Equity and Other Credits:											
Liabilities:											
Accounts Payable	\$161,141	\$80,935	\$0	\$14,525	\$311,818	\$30,042	\$0	\$0	\$0	\$598,461	
Accrued Wages and Benefits	612,381	42,051	0	0	102,165	25,735	0	0	0	782,332	
Due to Other Funds	7,303	2,160	0	0	1,920	171	100,456	0	0	112,010	
Intergovernmental Payables	88,244	3,976	0	0	39,431	10,643	128,386	0	400,560	671,240	
Undistributed Money	0	0	0	0	0	0	173,770	0	0	173,770	
Matured Bonds and Interest Payable	0	0	7,302	0	65,512	0	0	0	0	72,814	
Accrued Interest Payable	0	0	0	10,995	129,789	0	0	0	0	140,784	
Landfill Closure Costs	0	0	0	0	363,942	0	0	0	0	363,942	
Refundable Deposits	0	0	0	0	165,223	0	0	0	0	165,223	
Claims Payable	0	0	0	0	0	4,115	0	0	0	4,115	
Deferred Revenue	2,062,394	156,387	3,381,725	25,642	0	0	0	0	0	5,626,148	
Compensated Absences Payable	21,701	0	0	0	143,604	26,169	0	0	915,873	1,107,347	
General Obligation Notes Payable	0	0	0	700,000	3,200,000	0	0	0	0	3,900,000	
Special Assessment Notes Payable	0	0	0	67,456	0	0	0	0	0	67,456	
General Obligation Bonds Payable	0	0	0	0	3,695,000	0	0	0	2,138,000	5,833,000	
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0	0	0	2,086,000	2,086,000	
Ohio Water Development Authority Loans Payable	0	0	0	0	4,141,982	0	0	0	0	4,141,982	
Ohio Public Works Commission Loan Payable	0	0	0	0	250,282	0	0	0	0	250,282	
Total Liabilities	2,953,164	285,509	3,389,027	818,618	12,610,668	96,875	402,612	0	5,540,433	26,096,906	
Equity and Other Credits:											
Investment in General Fixed Assets	0	0	0	0	0	0	0	16,125,102	0	16,125,102	
Contributed Capital	0	0	0	0	14,893,463	58,658	0	0	0	14,952,121	
Retained Earnings:											
Unreserved	0	0	0	0	34,801	444,532	0	0	0	479,333	
Fund Balances:											
Reserved for Encumbrances	152,294	95,549	0	855,560	0	0	0	0	0	1,103,403	
Reserved for Supplies Inventory	34,406	58,840	0	0	0	0	0	0	0	93,246	
Reserved for Prepaid Items	41,671	3,144	0	0	0	0	0	0	0	44,815	
Reserved for Debt Service	0	0	686,578	0	0	0	0	0	0	686,578	
Unreserved:											
Undesignated	4,462,869	816,257	0	164,678	0	0	0	0	0	5,443,804	
Total Equity and Other Credits	4,691,240	973,790	686,578	1,020,238	14,928,264	503,190	0	16,125,102	0	38,928,402	
Total Liabilities, Equity and Other Credits	\$7,644,404	\$1,259,299	\$4,075,605	\$1,838,856	\$27,538,932	\$600,065	\$402,612	\$16,125,102	\$5,540,433	\$65,025,308	

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



THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Governmental</i>				Totals (Memorandum Only)
	<i>Fund Types</i>				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
Revenues:					
Property Taxes	\$2,332,918	\$155,260	\$194,044	\$88,535	\$2,770,757
Municipal Income Taxes	5,964,964	0	0	0	5,964,964
Intergovernmental Revenues	3,049,305	1,729,676	22,077	427,352	5,228,410
Charges for Services	2,489,030	23,675	0	14,716	2,527,421
Licenses and Permits	305,606	0	7,335	0	312,941
Investment Earnings	764,261	0	49,616	12,047	825,924
Special Assessments	0	0	410,636	33,829	444,465
Fines and Forfeitures	1,179,021	116,094	0	289,852	1,584,967
All Other Revenues	167,010	41,786	24,101	26,833	259,730
Total Revenues	<u>16,252,115</u>	<u>2,066,491</u>	<u>707,809</u>	<u>893,164</u>	<u>19,919,579</u>
Expenditures:					
Current:					
Security of Persons and Property	8,415,019	450,033	0	0	8,865,052
Public Health and Welfare Services	72,023	70,921	0	0	142,944
Leisure Time Activities	174,572	0	0	8,975	183,547
Community Environment	522,914	229,307	0	0	752,221
Transportation	0	834,842	0	0	834,842
General Government	5,255,363	106,807	38,705	58,369	5,459,244
Capital Outlay	603,793	451,206	0	1,293,027	2,348,026
Debt Service:					
Principal Retirement	0	37,000	306,000	80,000	423,000
Interest and Fiscal Charges	0	8,167	251,934	51,316	311,417
Total Expenditures	<u>15,043,684</u>	<u>2,188,283</u>	<u>596,639</u>	<u>1,491,687</u>	<u>19,320,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,208,431	(121,792)	111,170	(598,523)	599,286
Other Financing Sources (Uses):					
Proceeds From Sale of Fixed Assets	7,645	10,006	0	0	17,651
Operating Transfers In	62,445	344,096	0	732,750	1,139,291
Operating Transfers Out	(930,346)	(132,140)	(25,000)	(51,805)	(1,139,291)
Total Other Financing Sources (Uses)	<u>(860,256)</u>	<u>221,962</u>	<u>(25,000)</u>	<u>680,945</u>	<u>17,651</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	348,175	100,170	86,170	82,422	616,937
Fund Balance at Beginning of Year	4,334,045	879,592	600,408	937,816	6,751,861
Increase (Decrease) in Inventory Reserve	9,020	(5,972)	0	0	3,048
Fund Balance at End of Year	<u>\$4,691,240</u>	<u>\$973,790</u>	<u>\$686,578</u>	<u>\$1,020,238</u>	<u>\$7,371,846</u>

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

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Property Taxes	\$2,311,018	\$2,316,131	\$5,113	\$154,222	\$154,222	\$0
Municipal Income Taxes	5,851,772	5,859,751	7,979	0	0	0
Intergovernmental Revenues	2,884,961	2,872,229	(12,732)	1,720,981	1,747,454	26,473
Charges for Services	2,463,767	2,510,939	47,172	22,700	23,675	975
Licenses and Permits	311,540	305,606	(5,934)	0	0	0
Investment Earnings	600,000	661,199	61,199	0	0	0
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	1,186,049	1,190,163	4,114	110,542	114,731	4,189
All Other Revenues	233,317	167,052	(66,265)	57,625	42,955	(14,670)
Total Revenues	<u>15,842,424</u>	<u>15,883,070</u>	<u>40,646</u>	<u>2,066,070</u>	<u>2,083,037</u>	<u>16,967</u>
Expenditures:						
Current:						
Security of Persons and Property	8,587,697	8,410,926	176,771	664,809	652,854	11,955
Public Health and Welfare Services	72,068	72,023	45	71,324	70,146	1,178
Leisure Time Activities	189,627	175,267	14,360	0	0	0
Community Environment	510,156	490,206	19,950	332,200	258,867	73,333
Transportation	0	0	0	874,887	817,852	57,035
General Government	5,323,015	5,168,809	154,206	109,345	108,772	573
Capital Outlay	692,949	693,711	(762)	639,251	506,568	132,683
Debt Service:						
Principal Retirement	0	0	0	37,000	37,000	0
Interest and Fiscal Charges	0	0	0	8,410	8,167	243
Total Expenditures	<u>15,375,512</u>	<u>15,010,942</u>	<u>364,570</u>	<u>2,737,226</u>	<u>2,460,226</u>	<u>277,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	466,912	872,128	405,216	(671,156)	(377,189)	293,967
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	9,000	7,645	(1,355)	10,350	10,006	(344)
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating Transfers In	356,839	62,445	(294,394)	270,000	344,096	74,096
Operating Transfers Out	(1,638,312)	(930,346)	707,966	(132,140)	(132,140)	0
Total Other Financing Sources (Uses)	<u>(1,272,473)</u>	<u>(860,256)</u>	<u>412,217</u>	<u>148,210</u>	<u>221,962</u>	<u>73,752</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(805,561)	11,872	817,433	(522,946)	(155,227)	367,719
Fund Balance at Beginning of Year	3,499,458	3,499,458	0	643,863	643,863	0
Prior Year Encumbrances	494,223	494,223	0	361,491	361,491	0
Fund Balance at End of Year	<u>\$3,188,120</u>	<u>\$4,005,553</u>	<u>\$817,433</u>	<u>\$482,408</u>	<u>\$850,127</u>	<u>\$367,719</u>

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

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$187,589	\$192,113	\$4,524	\$93,740	\$95,376	\$1,636	\$2,746,569	\$2,757,842	\$11,273
0	0	0	114,500	0	(114,500)	5,966,272	5,859,751	(106,521)
22,077	22,077	0	775,000	427,352	(347,648)	5,403,019	5,069,112	(333,907)
0	0	0	13,250	13,258	8	2,499,717	2,547,872	48,155
7,335	7,335	0	0	0	0	318,875	312,941	(5,934)
41,500	50,348	8,848	0	8,915	8,915	641,500	720,462	78,962
410,635	410,636	1	33,829	33,829	0	444,464	444,465	1
0	0	0	295,400	294,099	(1,301)	1,591,991	1,598,993	7,002
24,100	24,101	1	12,658	26,833	14,175	327,700	260,941	(66,759)
693,236	706,610	13,374	1,338,377	899,662	(438,715)	19,940,107	19,572,379	(367,728)
0	0	0	0	0	0	9,252,506	9,063,780	188,726
0	0	0	0	0	0	143,392	142,169	1,223
0	0	0	13,687	8,975	4,712	203,314	184,242	19,072
0	0	0	0	0	0	842,356	749,073	93,283
0	0	0	0	0	0	874,887	817,852	57,035
39,042	39,199	(157)	100,288	87,706	12,582	5,571,690	5,404,486	167,204
0	0	0	2,413,555	2,176,006	237,549	3,745,755	3,376,285	369,470
306,000	306,000	0	109,006	109,006	0	452,006	452,006	0
252,181	251,934	247	40,723	40,723	0	301,314	300,824	490
597,223	597,133	90	2,677,259	2,422,416	254,843	21,387,220	20,490,717	896,503
96,013	109,477	13,464	(1,338,882)	(1,522,754)	(183,872)	(1,447,113)	(918,338)	528,775
0	0	0	0	0	0	19,350	17,651	(1,699)
0	0	0	630,500	700,000	69,500	630,500	700,000	69,500
4,845	0	(4,845)	678,250	732,750	54,500	1,309,934	1,139,291	(170,643)
(25,000)	(25,000)	0	(51,807)	(51,805)	2	(1,847,259)	(1,139,291)	707,968
(20,155)	(25,000)	(4,845)	1,256,943	1,380,945	124,002	112,525	717,651	605,126
75,858	84,477	8,619	(81,939)	(141,809)	(59,870)	(1,334,588)	(200,687)	1,133,901
592,422	592,422	0	843,269	843,269	0	5,579,012	5,579,012	0
32	32	0	181,660	181,660	0	1,037,406	1,037,406	0
\$668,312	\$676,931	\$8,619	\$942,990	\$883,120	(\$59,870)	\$5,281,830	\$6,415,731	\$1,133,901



THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Operating Revenues:</u>			
Charges for Services	\$7,552,771	\$998,594	\$8,551,365
Other Operating Revenues	66,209	0	66,209
Total Operating Revenues	7,618,980	998,594	8,617,574
<u>Operating Expenses:</u>			
Personal Services	1,887,866	469,280	2,357,146
Materials and Supplies	405,107	438,977	844,084
Contractual Services	3,336,563	37,540	3,374,103
Dental Insurance Claims	0	43,561	43,561
Depreciation	1,389,967	14,341	1,404,308
Total Operating Expenses	7,019,503	1,003,699	8,023,202
Operating Income (Loss)	599,477	(5,105)	594,372
<u>Nonoperating Revenues (Expenses):</u>			
Gain on Sale of Fixed Assets	348	0	348
Intergovernmental Revenue	0	5,606	5,606
Investment Earnings	105,889	4,947	110,836
Interest and Fiscal Charges	(650,598)	0	(650,598)
Nonoperating Expenses	(21,490)	0	(21,490)
Total Nonoperating Revenues (Expenses)	(565,851)	10,553	(555,298)
Income Before Operating Transfers	33,626	5,448	39,074
<u>Operating Transfers:</u>			
Operating Transfers In	33,812	0	33,812
Operating Transfers Out	(33,812)	0	(33,812)
Total Operating Transfers	0	0	0
Net Income	33,626	5,448	39,074
Restated Retained Earnings at Beginning of Year	1,175	439,084	440,259
Retained Earnings at End of Year	\$34,801	\$444,532	\$479,333

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

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,646,877	\$0	\$7,646,877
Cash Receipts from Quasi-External Operating Transactions with Other Funds	0	993,601	993,601
Cash Payments for Goods and Services	(3,910,691)	(510,365)	(4,421,056)
Cash Payments to Employees	(1,872,836)	(461,078)	(2,333,914)
Cash Payments for Employee Medical/Dental Claims	0	(40,363)	(40,363)
Other Operating Receipts	313,846	0	313,846
Customer Deposits Received	67,950	0	67,950
Customer Deposits Returned	(67,661)	0	(67,661)
Net Cash Provided (Used) by Operating Activities	<u>2,177,485</u>	<u>(18,205)</u>	<u>2,159,280</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	33,812	0	33,812
Transfers Out to Other Funds	(33,812)	0	(33,812)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(2,363,974)	(19,280)	(2,383,254)
Proceeds from General Obligation Notes	3,200,000	0	3,200,000
Principal Paid on General Obligation Notes	(3,200,000)	0	(3,200,000)
Proceeds from the Sale of Fixed Assets	348	0	348
Principal Paid on General Obligation Bonds	(345,000)	0	(345,000)
Principal Paid on Ohio Public Works Commission Loan	(16,685)	0	(16,685)
Proceeds from Ohio Water Development Authority Loans	6,065	0	6,065
Principal Paid on Ohio Water Development Authority Loans	(260,506)	0	(260,506)
Interest Paid on All Debt	(640,711)	0	(640,711)
Net Cash Used for Capital and Related Financing Activities	<u>(3,620,463)</u>	<u>(19,280)</u>	<u>(3,639,743)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	156,449	5,027	161,476
Purchase of Investments	(312,534)	(7,907)	(320,441)
Sale of Investments	1,837,773	0	1,837,773
Net Cash Provided (Used) by Investing Activities	<u>1,681,688</u>	<u>(2,880)</u>	<u>1,678,808</u>
Net Increase (Decrease) in Cash and Cash Equivalents	238,710	(40,365)	198,345
Cash and Cash Equivalents at Beginning of Year	1,665,438	278,600	1,944,038
Cash and Cash Equivalents at End of Year	<u>\$1,904,148</u>	<u>\$238,235</u>	<u>\$2,142,383</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Totals (Memorandum Only)</i>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$1,672,811	\$238,235	\$1,911,046
Restricted Cash and Cash Equivalents	165,223	0	165,223
Restricted Cash with Fiscal Agent	66,114	0	66,114
Cash and Cash Equivalents at End of Year	<u>\$1,904,148</u>	<u>\$238,235</u>	<u>\$2,142,383</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$599,477	(\$5,105)	\$594,372
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	1,389,967	14,341	1,404,308
Nonoperating Revenue	247,637	0	247,637
Nonoperating Expenses	(21,490)	0	(21,490)
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	94,143	(2,713)	91,430
Increase in Due from Other Funds	(37)	(2,280)	(2,317)
Decrease (Increase) in Inventory	(27,743)	940	(26,803)
Increase in Prepaid Items	(211)	(46)	(257)
Decrease in Accounts Payable	(95,163)	(33,827)	(128,990)
Increase in Accrued Wages and Benefits	37,725	10,109	47,834
Increase in Due to Other Funds	407	37	444
Decrease in Intergovernmental Payable	(24,334)	(5,270)	(29,604)
Decrease in Landfill Closure Costs	(20,219)	0	(20,219)
Increase (Decrease) in Compensated Absences	(2,963)	2,411	(552)
Increase in Refundable Deposits Payable	289	0	289
Increase in Claims Payable	0	3,198	3,198
Total Adjustments	<u>1,578,008</u>	<u>(13,100)</u>	<u>1,564,908</u>
Net Cash Provided (Used) by Operating Activities	<u>\$2,177,485</u>	<u>(\$18,205)</u>	<u>\$2,159,280</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000, the Water Fund, Sewer Fund and Equipment Fund had outstanding liabilities of \$7,917, \$42,273, and \$2,876, respectively, for the purchase of certain capital assets.

The Water Fund, Sewer Fund and Equipment Fund received \$261,308, \$720,086, and \$58,658, respectively, of capital assets contributed by other funds.

During 2000, the fair value of investments decreased by \$2,641, \$2,716, and \$162 in the Water Fund, Sewer Fund, and Self-Insurance Fund, respectively.

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

CITY OF FAIRBORN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2000 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

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

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

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

Proprietary Funds

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Fiduciary Funds

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

Account Groups

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

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

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

C. Measurement Focus and Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

D. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations by department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the department level by fund may only be made by ordinance of the City Council. During 2000, all appropriations were approved as required.

1. Tax Budget

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

2. Estimated Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued for 2000.

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	\$348,175	\$100,170	\$86,170	\$82,422
Increase (Decrease):				
Accrued Revenues at December 31, 2000 received during 2001	(1,218,630)	(67,706)	(9,647)	(60,484)
Accrued Revenues at December 31, 1999 received during 2000	849,586	84,252	8,448	66,982
Accrued Expenditures at December 31, 2000 paid during 2001	890,770	129,122	0	25,520
Accrued Expenditures at December 31, 1999 paid during 2000	(575,788)	(277,909)	(494)	(57,633)
1999 Prepays for 2000	41,180	3,083	0	0
2000 Prepays for 2001	(41,671)	(3,144)	0	0
Note Proceeds	0	0	0	700,000
Note Retirements	0	0	0	(29,006)
Outstanding Encumbrances	(281,750)	(123,095)	0	(869,610)
Budget Basis	\$11,872	(\$155,227)	\$84,477	(\$141,809)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

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

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

F. Investments

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

The City has invested funds in the STAR Ohio during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000. See Note 4, "Cash, Cash Equivalents and Investments."

G. Inventory of Supplies

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Restricted Assets

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

J. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment - General Governmental Purposes

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

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

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

2. Property, Plant and Equipment - Proprietary Fund

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

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in proprietary funds were not material.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

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

L. Accrued Liabilities and Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, special termination benefits and landfill postclosure costs are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than 60 days after year end are generally considered not to have been paid with current available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Street Lighting Fund General Bond Retirement Fund General Capital Improvement Fund Buildings and Land Fund Water Fund Sewer Fund
Special Assessment Bonds	General Bond Retirement Fund
Compensated Absences	Paid from the fund(s) from which the employee's salary is paid.
Ohio Water Development Authority Loans	Sewer Fund
Ohio Public Works Commission Loan	Water Fund
Intergovernmental Payable (4th Quarter Pension Payment)	Paid from the fund(s) from which the employee's salary is paid.

M. Contributed Capital

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

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

N. Reservations of Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Intergovernmental Revenues

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

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

P. Interfund Receivables/Payables

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

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

Q. Interfund Transactions

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

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

R. Self-Insurance Fund

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

S. Total Columns on Combined Financial Statements

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

NOTE 2 - PRIOR PERIOD ADJUSTMENTS

Adjustments were made to the retained earnings balances of the Water, Sewer and Sanitation Funds (enterprise funds), as well as the Equipment Fund (internal service fund) to reflect the increase in the City's capitalization limit for fixed assets from \$300 to \$1,000. The balance in the General Fixed Asset Account Group was also restated by \$439,201 from a balance of \$15,530,719 to \$15,091,518 to reflect the increase in the City's capitalization limit. The restatements resulted in the changes to retained earnings in the tables listed below.

Description	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Retained Earnings/Accumulated Deficit at December 31, 1999 (As Reported)	\$863,044	(\$1,306,640)	\$534,309	\$90,713
Restatement of Fixed Assets	(46,871)	(42,667)	0	(89,538)
Retained Earnings/Accumulated Deficit at December 31, 1999 (As Restated)	<u>\$816,173</u>	<u>(\$1,349,307)</u>	<u>\$534,309</u>	<u>\$1,175</u>

Description	Equipment Fund	Self-Insurance Fund	Total Internal Service Funds
Retained Earnings at December 31, 1999 (As Reported)	\$335,297	\$111,660	\$446,957
Restatement of Fixed Assets	(7,873)	0	(7,873)
Retained Earnings at December 31, 1999 (As Restated)	<u>\$327,424</u>	<u>\$111,660</u>	<u>\$439,084</u>

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equities

At December 31, 2000 the following funds had deficit Fund Balances/Retained Earnings:

	<u>Fund Deficit</u>
Special Revenue Fund:	
Street Lighting Fund	(\$16,953)
Capital Projects Fund:	
Issue II Improvement Fund	(118,539)
Enterprise Fund:	
Sewer Fund	(1,236,635)

The deficit of \$16,953 in the Street Lighting Fund (special revenue fund) arises from the recognition of expenditures on the modified accrual basis which are greater than those recognized on a budgetary basis. A deficit does not exist under the budgetary basis of accounting. The deficit of \$118,539 in the Issue II Improvement Fund (capital projects fund) arises from the recognition of general obligation notes payable under the modified accrual basis of accounting. Under the budgetary basis of accounting, proceeds from the sale of notes are recognized as revenue and expenditures are recognized when paid, therefore, a deficit does not exist. The deficit of \$1,236,635 in the Sewer Fund (enterprise fund) is the result of recognizing expenses on the accrual basis, which results in expenses greater than those on the cash basis. A deficit does not exist on a cash basis. The General Fund provides operating transfers when cash is required, not when accruals occur.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2000, expenditures exceeded appropriations at the department level (i.e., the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Excess</u>
General Fund:	
Capital Outlay	\$762
Debt Service Fund:	
General Obligation Debt Service Fund:	
General Government	160

The excess expenditures were funded from available fund balances.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Money market fund portfolios consisting of the items listed above.

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

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

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

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

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

Deposits:

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

Investments:

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

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

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

A. Deposits

At year end, the carrying amount of the City's deposits was \$829,992 and the bank balance was \$1,308,679. Of the bank balance, \$100,000 was covered by federal deposit insurance and \$848,251 was covered by collateral held by financial institutions, not in the City's name, as specified by Section 135.81 of the Ohio Revised Code. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation. In addition, the City had \$3,225 undeposited cash on hand which is included on the balance sheet of the City as part of "Cash and Cash Equivalents".

B. Investments

The City's investments at December 31, 2000 are summarized below:

<u>Categorized Investments</u>	Category 1	Category 2	Fair Value
Federal Home Loan Mortgage Notes	\$0	\$1,502,125	\$1,502,125
Federal Home Loan Bank Notes	0	2,796,848	2,796,848
Federal National Mortgage Association Notes	0	2,389,591	2,389,591
Discount Commercial Paper	0	496,984	496,984
City's Debt	230,456	0	230,456
Total Categorized Investments	230,456	7,185,548	7,416,004
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	5,142,509
Total Non-Categorized Investments	N/A	N/A	5,142,509
Total Investments	\$230,456	\$7,185,548	\$12,558,513

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

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

	Cash and Cash Equivalents *	Investments
Per Combined Balance Sheet	\$5,975,726	\$7,416,004
Investments:		
STAR Ohio	(5,142,509)	5,142,509
Per GASB Statement No. 3	<u>\$833,217</u>	<u>\$12,558,513</u>

* Includes Cash with Fiscal Agent.

NOTE 5 – TAXES

A. Property Taxes

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

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairborn. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2000, was \$9.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax levy were based are as follows:

Real Property Assessed Valuation	\$455,559,940
Public Utility Real Property Assessed Valuation	22,830,620
Tangible Personal Property Assessed Valuation	28,685,873
Less: Exemptions	(91,143,620)
Total	<u>\$415,932,813</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 5 – TAXES (Continued)

B. Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by City Council. In 2000, the proceeds were allocated to the General Fund and the Buildings and Land Fund.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2000, consisted of taxes, interfund receivables, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, interest on investments, and utility accounts. All receivables are considered fully collectible.

By statute, local property taxes have been reduced 10 percent, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be approximately \$253,198, will be paid to the City by the State of Ohio in the latter part of 2001.

NOTE 7 – FIXED ASSETS

A. General Fixed Assets

Changes in general fixed assets during the year ended December 31, 2000, were as follows:

Category	Restated January 1, 2000	Additions	Deletions	December 31, 2000
Land	\$1,809,695	\$0	\$0	\$1,809,695
Buildings and Improvements	4,800,507	204,561	0	5,005,068
Machinery and Equipment	5,195,982	293,083	(3,400)	5,485,665
Vehicles	3,222,205	542,340	(3,000)	3,761,545
Construction In Progress	63,129	0	0	63,129
Totals	\$15,091,518	\$1,039,984	(\$6,400)	\$16,125,102

NOTE 7 – FIXED ASSETS (Continued)

B. Proprietary Fixed Assets

Summary by category at December 31, 2000:

Category	Enterprise	Internal Service	Totals
Land	\$400,762	\$0	\$400,762
Buildings and Improvements	30,449,665	0	30,449,665
Machinery and Equipment	4,043,556	187,139	4,230,695
Vehicles	958,531	56,253	1,014,784
Subtotal	35,852,514	243,392	36,095,906
LESS: Accumulated Depreciation	(15,998,919)	(110,860)	(16,109,779)
Subtotal	19,853,595	132,532	19,986,127
Construction In Progress	1,787,316	0	1,787,316
Total	\$21,640,911	\$132,532	\$21,773,443

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84%, of covered payroll, 6.54% to fund the pension and 4.3% to fund health care. The 1999 and 1998 employer contribution rates were 13.55%. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999 and 1998 were \$655,659, \$839,506 and \$777,379, respectively, which were equal to the required contributions for each year.

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

The PERS of Ohio provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3% of covered payroll which amounted to \$260,470.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 is \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

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

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999 and 1998 were \$467,384, \$456,840 and \$413,186 for police and \$588,743, \$585,908 and \$539,717 for firefighters, respectively, which were equal to the required contributions for each year.

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

The portion of the 2000 covered payroll that was used to fund postemployment health care benefits was \$173,771 representing 7.25% of covered payroll for police and \$177,850 representing 7.25% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

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

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

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

NOTE 9 – OTHER EMPLOYEE BENEFITS (Continued)

A. Compensated Absences (Continued)

At December 31, 2000, the total accumulated unpaid sick, vacation and compensatory time recorded in the General Long-Term Obligations Account Group was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	46,401	\$323,122
Vacation Time	28,008	564,537
Compensatory Time	1,442	28,214
Total	<u>75,851</u>	<u>\$915,873</u>

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

B. Medical, Dental and Life Insurance Benefits

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

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

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

NOTE 10 – LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2000 were as follows:

Date Purchased	Interest Rate	Description	Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000
Enterprise Funds:					
General Obligation Bonds:					
1977	6.375%	Waterworks System Improvement	\$160,000	(\$80,000)	\$80,000
1976	7.000%	Sewer System Improvements	50,000	(50,000)	0
1991	5.50 - 7.00%	Utility Improvement - Water	1,915,000	(107,500)	1,807,500
1991	5.50 - 7.00%	Utility Improvement - Sewer	1,915,000	(107,500)	1,807,500
Total General Obligation Bonds			4,040,000	(345,000)	3,695,000
Ohio Water Development Authority Loans (OWDA):					
1986	8.970%	OWDA Loan	787,824	(44,937)	742,887
1992	5.200%	OWDA Loan	1,911,595	(106,097)	1,805,498
1993	3.540%	OWDA Loan	131,053	(6,454)	124,599
1996	3.910%	OWDA Loan	1,565,951	6,065	0
1996	3.910%	OWDA Loan	0	(103,018)	1,468,998
Total Ohio Water Development Authority Loans			4,396,423	(254,441)	4,141,982
Ohio Public Works Commission Loan			266,967	(16,685)	250,282
Landfill Closure and Postclosure Care Costs			384,161	(20,219)	363,942
Total Enterprise Long-Term Debt			\$9,087,551	(\$636,345)	\$8,451,206
General Long-Term Debt:					
General Obligation Bonds:					
1977	6.375%	Maple Avenue Overpass	\$70,000	(\$35,000)	\$35,000
1991	Various	Fairborn Library	1,315,000	(70,000)	1,245,000
1998	Various	Police/Fire Dispatch	525,000	(60,000)	465,000
1999	Various	Downtown Revitalization	200,000	(37,000)	163,000
1999	Various	Street Improvement	250,000	(20,000)	230,000
Total General Obligation Bonds			2,360,000	(222,000)	2,138,000
Special Assessment Bonds:					
1981	9.250%	Water and Sewer Improvement	450,000	(75,000)	375,000
1981	9.250%	Street and Sewer Improvement	10,000	(10,000)	0
1983	11.625%	Five Point II Street Improvement	9,000	(3,000)	6,000
1986	8.750%	Water System Improvement	18,000	(3,000)	15,000
1988	7.190%	Street Improvement	675,000	(75,000)	600,000
1998	5.150%	Commerce Center/Channingway Drive	1,125,000	(35,000)	1,090,000
Total Special Assessment Bonds (with Governmental Commitment)			2,287,000	(201,000)	2,086,000
Other Long-Term Obligations:					
Compensated Absences			869,832	46,041	915,873
Intergovernmental Payables			451,210	(50,650)	400,560
Total Other Long-Term Obligations			1,321,042	(4,609)	1,316,433
Total General Long-Term Debt and Other Long-Term Obligations			\$5,968,042	(\$427,609)	\$5,540,433

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City’s special assessment bonds outstanding at December 31, 2000, \$2,086,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The voted general obligation bond issues will be paid through the Street Lighting Fund, General Bond Retirement Fund, General Capital Improvement Fund and Buildings and Land Fund from tax revenue. The intergovernmental payable represents the City’s liability for fourth quarter pension payments to PERS of Ohio and the OP&F Fund. The liability will be paid from the fund(s) from which the employee’s salary is paid. Enterprise Funds’ bonds payable are general obligation bonds paid from operating revenues of the enterprise operation for which the improvements were made. The OWDA loans payable represents amounts borrowed from the Ohio Water Development Authority for the construction of water system improvements to the water reclamation center, part of the Sewer Fund. The loans will be paid from Sewer Fund revenue.

As of December 31, 2000, the City’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$43,900,630. Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2000, were:

A. Future Long-Term Financing Requirements

A summary of the City’s future long-term debt funding requirements including principal and interest payments as of December 31, 2000 follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2001	\$533,000	\$373,424	\$196,000	\$137,983
2002	450,000	338,575	196,000	122,900
2003	482,000	308,785	193,000	107,741
2004	508,000	276,673	198,000	92,855
2005	500,000	242,755	198,000	77,638
2006-2010	2,750,000	660,525	495,000	234,278
2011-2018	610,000	27,085	610,000	151,924
Totals	\$5,833,000	\$2,227,822	\$2,086,000	\$925,319

Years	OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest
2001	\$287,794	\$237,942	\$16,686	\$0
2002	296,211	219,341	16,685	0
2003	312,084	203,468	16,686	0
2004	328,904	186,647	16,685	0
2005	346,734	168,817	16,686	0
2006-2010	2,000,786	529,184	83,427	0
2011-2018	569,469	43,814	83,427	0
Totals	\$4,141,982	\$1,589,213	\$250,282	\$0

NOTE 11 – NOTES PAYABLE

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

	Balance December 31, 1999	Issued	(Retired)	Balance December 31, 2000
General Obligation Notes:				
3.85% Water Reclamation Note	\$1,100,000	\$0	(\$1,100,000)	\$0
4.42% Biosolids Improvement Note	0	1,100,000	0	1,100,000
3.87% Water Improvement Note	2,100,000	0	(2,100,000)	0
4.75% Water Meter Acquisition Note	0	2,100,000	0	2,100,000
4.75% Yellow Springs Improvement Note	0	700,000	0	700,000
Subtotal General Obligation Notes	<u>3,200,000</u>	<u>3,900,000</u>	<u>(3,200,000)</u>	<u>3,900,000</u>
Special Assessment Notes:				
(with Governmental Commitment)				
5.00% Curb and Sidewalk - 1998	8,824	0	(8,824)	0
5.00% Curb and Sidewalk - 1998	4,605	0	(2,302)	2,303
5.00% Curb and Sidewalk - 1998	25,495	0	(6,373)	19,122
5.00% Curb and Sidewalk - 1999	57,538	0	(11,507)	46,031
Subtotal Special Assessment Notes	<u>96,462</u>	<u>0</u>	<u>(29,006)</u>	<u>67,456</u>
Total All Notes	<u>\$3,296,462</u>	<u>\$3,900,000</u>	<u>(\$3,229,006)</u>	<u>\$3,967,456</u>

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2000, the City participated in the Public Entities Pool of Ohio (PEP), established as a risk sharing self insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. PEP is a corporation governed by a seven member board of directors, consisting of representatives elected by the 230 participating governments.

NOTE 12 – RISK MANAGEMENT (Continued)

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

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

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

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

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

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

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

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

The City maintains a self-insurance program for employee dental benefits. The claims liability of \$4,115 reported at December 31, 2000, as estimated through reviewing actual claims filed in the first few months of the year by the third party administrator, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund’s claims liability amount in 2000 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
1999	\$3,009	\$33,884	(\$35,976)	\$917
2000	917	43,561	(40,363)	4,115

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill placed its final cover in 1989. The \$363,942 reported as landfill postclosure care liability in the Sanitation Enterprise Fund at December 31, 2000, represents the cumulative amount reported to date based on the estimated cost of maintenance and monitoring through 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 14 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2000:

Fund	Transfers In	Transfers Out
General Fund	\$62,445	\$930,346
Special Revenue Funds:		
Street Maintenance and Repair	0	43,500
State Highway	0	5,000
Cemetery	46,000	3,000
Street Lighting	196,000	0
County Motor Vehicle License Tax	0	70,000
Law Enforcement Trust	0	10,640
Fairborn School Tax Sharing	27,096	0
Damage Repair	75,000	0
Total Special Revenue Funds	344,096	132,140
Debt Service Fund:		
General Bond Retirement	0	25,000
Capital Projects Funds:		
Issue II Improvement	70,000	0
Municipal Court Improvement	0	51,805
General Capital Improvement	491,000	0
Buildings and Land	171,750	0
Total Capital Projects Funds	732,750	51,805
Enterprise Funds:		
Water	33,812	0
Sewer	0	33,812
Total Enterprise Funds	33,812	33,812
Totals	\$1,173,103	\$1,173,103

NOTE 15 – INTERFUND ASSETS AND LIABILITIES

Individual fund interfund receivable and payable balances at December 31, 2000, were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$74,770	\$7,303
Special Revenue Funds:		
Street Maintenance and Repair	0	1,826
State Highway	0	199
Cemetery	0	62
Community Development	0	73
Victim Witness	1,344	0
Indigent Drivers Alcohol Treatment	953	0
Alcohol Enforcement and Education	592	0
Municipal Probation Services	4,753	0
Total Special Revenue Funds	<u>7,642</u>	<u>2,160</u>
Capital Project Funds:		
Municipal Court Improvement	9,440	0
Court Special Projects Fund	8,604	0
Total Capital Project Funds	<u>18,044</u>	<u>0</u>
Enterprise Funds:		
Water	0	965
Sewer	921	811
Sanitation	0	144
Total Enterprise Funds	<u>921</u>	<u>1,920</u>
Internal Service Fund:		
Equipment	10,633	171
Agency Fund:		
Municipal Court	0	100,456
Total All Funds	<u>\$112,010</u>	<u>\$112,010</u>

NOTE 16 – CONSTRUCTION COMMITMENTS

As of December 31, 2000, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Dayton Yellow Springs Road Improvements	\$791,408	09/01/2001
Superior Avenue Roadway Improvements	25,245	07/01/2001
Colonel Glenn Highway Widening and Reconstruction	17,529	06/01/2001
Spangler Road Trunk Sewer Improvements	26,449	05/01/2001
2000 Local Street Improvements Program	4,254	04/01/2001
Total	<u>\$864,885</u>	

NOTE 17 – SEGMENT INFORMATION

The City's enterprise funds account for the provision of water, sewer, and garbage collection services. Key financial information as of and for the year ended December 31, 2000, for each enterprise fund is as follows:

	Water Fund	Sewer Fund	Sanitation Fund	Total
For the Year Ended December 31, 2000				
Operating Revenues	\$2,229,599	\$3,590,405	\$1,798,976	\$7,618,980
Depreciation Expense	602,172	785,231	2,564	1,389,967
Operating Income (Loss)	(55,372)	576,540	78,309	599,477
Operating Transfers In	33,812	0	0	33,812
Operating Transfers Out	0	(33,812)	0	(33,812)
Net Nonoperating Revenues (Expenses)	(135,795)	(430,056)	0	(565,851)
Net Income (Loss)	(157,355)	112,672	78,309	33,626
Property, Plant and Equipment:				
Additions	2,154,484	1,121,633	3,435	3,279,552
Deletions	0	0	(24,900)	(24,900)
Current Capital Contributions	261,308	720,086	0	981,394
As of December 31, 2000				
Total Assets	12,087,833	14,232,311	1,218,788	27,538,932
Net Working Capital	(5,109)	999,167	888,105	1,882,163
General Obligation Bonds	1,887,500	1,807,500	0	3,695,000
Ohio Water Development Authority Loans	0	4,141,982	0	4,141,982
Ohio Public Works Commission Loan	250,282	0	0	250,282
Total Equity	7,518,134	6,797,512	612,618	14,928,264

NOTE 18 – CONTRIBUTED CAPITAL

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Contributed capital in the Water and Sewer Funds and the Equipment Internal Service Fund primarily results from assets contributed by other funds.

A schedule of changes in contributed capital is presented below:

	Water Fund	Sewer Fund	Enterprise Fund Totals	Internal Service Equipment Fund
Contributed Capital January 1, 2000	\$6,598,008	\$7,314,061	\$13,912,069	\$0
Additions	261,308	720,086	981,394	58,658
Contributed Capital December 31, 2000	\$6,859,316	\$8,034,147	\$14,893,463	\$58,658

NOTE 19 – CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2000, to December 31, 2000, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 20 - SUBSEQUENT EVENTS

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

In July of 2001 the City plans to refinance outstanding General Obligation Bonds to take advantage of lower interest rates on the bonds. The bonds refinanced at this time will be the Water Utility Improvement (\$1,807,500), Sewer Utility Improvement (\$1,807,500), and Fairborn Library (\$1,245,000) General Obligation Bonds. These bonds were originally issued in 1991. Also at this time, the City plans to retire the Water Meter Acquisition General Obligation Note and issue a General Obligation Bond in the amount of \$2,100,000.

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

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

GENERAL FUND

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

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property Taxes	\$2,311,018	\$2,316,131	\$5,113
Municipal Income Taxes	5,851,772	5,859,751	7,979
Intergovernmental Revenues	2,884,961	2,872,229	(12,732)
Charges for Services	2,463,767	2,510,939	47,172
Licenses and Permits	311,540	305,606	(5,934)
Investment Earnings	600,000	661,199	61,199
Fines and Forfeitures	1,186,049	1,190,163	4,114
All Other Revenues	233,317	167,052	(66,265)
Total Revenues	15,842,424	15,883,070	40,646
Expenditures:			
Current:			
Security of Persons and Property:			
Police Law Enforcement			
Personal Services	4,057,858	4,000,929	56,929
Other Expenditures	622,962	523,821	99,141
Fire Prevention and Control			
Personal Services	3,543,636	3,537,715	5,921
Other Expenditures	363,241	348,461	14,780
Total Security of Persons and Property	8,587,697	8,410,926	176,771
Public Health and Welfare Services:			
Other Expenditures	72,068	72,023	45
Total Public Health and Welfare Services	72,068	72,023	45
Leisure Time Activities:			
Recreation Programs			
Personal Services	76,436	70,730	5,706
Other Expenditures	113,191	104,537	8,654
Total Leisure Time Activities	189,627	175,267	14,360
Community Environment:			
Urban Planner			
Personal Services	189,027	174,903	14,124
Other Expenditures	31,316	25,924	5,392
Building Inspection			
Personal Services	248,466	248,101	365
Other Expenditures	41,347	41,278	69
Total Community Environment	510,156	490,206	19,950

(Continued)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government:			
City Manager			
Personal Services	322,111	322,043	68
Other Expenditures	13,250	11,036	2,214
Council			
Personal Services	32,333	32,267	66
Other Expenditures	59,166	51,118	8,048
Municipal Court			
Personal Services	1,161,959	1,118,813	43,146
Other Expenditures	207,235	205,463	1,772
Finance			
Personal Services	831,404	831,369	35
Other Expenditures	284,316	227,168	57,148
Solicitor			
Personal Services	124,029	123,955	74
Other Expenditures	81,972	81,528	444
Personnel			
Personal Services	114,403	114,375	28
Other Expenditures	55,221	54,875	346
Engineering and Drafting			
Personal Services	228,998	221,535	7,463
Other Expenditures	60,111	51,968	8,143
Public Works Director			
Personal Services	85,898	74,088	11,810
Other Expenditures	3,994	2,790	1,204
Plant Maintenance			
Personal Services	344,081	341,356	2,725
Other Expenditures	154,606	147,001	7,605
Audio Visual			
Personal Services	41,113	40,991	122
Other Expenditures	6,778	6,074	704
Other General Government			
Personal Services	57,320	57,319	1
Other Expenditures	1,052,717	1,051,677	1,040
Total General Government	<u>5,323,015</u>	<u>5,168,809</u>	<u>154,206</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Capital Outlay	692,949	693,711	(762)
Total Expenditures	15,375,512	15,010,942	364,570
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	466,912	872,128	405,216
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	9,000	7,645	(1,355)
Operating Transfers In	356,839	62,445	(294,394)
Operating Transfers Out	(1,638,312)	(930,346)	707,966
Total Other Financing Sources (Uses)	(1,272,473)	(860,256)	412,217
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(805,561)	11,872	817,433
Fund Balance at Beginning of Year	3,499,458	3,499,458	0
Prior Years Encumbrances Appropriated	494,223	494,223	0
Fund Balance at End of Year	\$3,188,120	\$4,005,553	\$817,433

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair Fund

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

State Highway Fund

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

Cemetery Fund

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

Community Development Fund

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

Victim Witness Fund

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

Street Lighting Fund

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

County Motor Vehicle License Tax Fund

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

Law Enforcement Trust Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Drug Law Enforcement Fund

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

City Motor Vehicle License Tax Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Alcohol Enforcement and Education Fund

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

Federal Forfeitures Fund

To account for proceeds from federal forfeitures received by the Fairborn Police Department pursuant to Section 2933.43 of the Ohio Revised Code. The revenue is used for law enforcement purposes only, excluding salaries.

Fairborn School Tax Sharing Fund

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

Damage Repair Fund

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

Municipal Probation Services Fund

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

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Assets:					
Cash and Cash Equivalents	\$175,756	\$16,242	\$21,681	\$105,725	\$33,594
Receivables (net of allowances for doubtful accounts)					
Taxes	0	0	0	0	0
Accounts	782	0	0	0	0
Due from Other Funds	0	0	0	0	1,344
Intergovernmental Receivables	39,540	3,206	0	0	0
Inventory of Supplies	58,840	0	0	0	0
Prepaid Items	2,605	248	291	0	0
Total Assets	\$277,523	\$19,696	\$21,972	\$105,725	\$34,938
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$21,842	\$2,142	\$321	\$2,078	\$65
Accrued Wages and Benefits	26,020	2,754	2,738	5,596	4,943
Due to Other Funds	1,826	199	62	73	0
Intergovernmental Payables	2,540	269	213	515	439
Deferred Revenue	0	0	0	0	0
Total Liabilities	52,228	5,364	3,334	8,262	5,447
Fund Equity:					
Reserved for Encumbrances	11,532	831	3	54,930	32
Reserved for Supplies Inventory	58,840	0	0	0	0
Reserved for Prepaid Items	2,605	248	291	0	0
Unreserved	152,318	13,253	18,344	42,533	29,459
Total Fund Equity	225,295	14,332	18,638	97,463	29,491
Total Liabilities and Fund Equity	\$277,523	\$19,696	\$21,972	\$105,725	\$34,938

**THE CITY OF FAIRBORN, OHIO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 DECEMBER 31, 2000**

Street Lighting	County Motor Vehicle License Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment
\$7,641	\$33,282	\$569	\$6,356	\$23,415	\$201,871
159,728	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	953
0	4,398	0	0	8,797	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$167,369</u>	<u>\$37,680</u>	<u>\$569</u>	<u>\$6,356</u>	<u>\$32,212</u>	<u>\$202,824</u>
\$27,935	\$6,373	\$0	\$0	\$3,811	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
156,387	0	0	0	0	0
<u>184,322</u>	<u>6,373</u>	<u>0</u>	<u>0</u>	<u>3,811</u>	<u>0</u>
0	27,568	0	0	443	0
0	0	0	0	0	0
0	0	0	0	0	0
(16,953)	3,739	569	6,356	27,958	202,824
(16,953)	31,307	569	6,356	28,401	202,824
<u>\$167,369</u>	<u>\$37,680</u>	<u>\$569</u>	<u>\$6,356</u>	<u>\$32,212</u>	<u>\$202,824</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

	Alcohol Enforcement and Education	Federal Forfeitures	Damage Repair	Municipal Probation Services	Totals
Assets:					
Cash and Cash Equivalents	\$8,349	\$191	\$269,227	\$69,323	\$973,222
Receivables (net of allowances for doubtful accounts)					
Taxes	0	0	0	0	159,728
Accounts	0	0	0	0	782
Due from Other Funds	592	0	0	4,753	7,642
Intergovernmental Receivables	0	0	0	0	55,941
Inventory of Supplies	0	0	0	0	58,840
Prepaid Items	0	0	0	0	3,144
Total Assets	\$8,941	\$191	\$269,227	\$74,076	\$1,259,299
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$1,212	\$0	\$15,156	\$0	\$80,935
Accrued Wages and Benefits	0	0	0	0	42,051
Due to Other Funds	0	0	0	0	2,160
Intergovernmental Payables	0	0	0	0	3,976
Deferred Revenue	0	0	0	0	156,387
Total Liabilities	1,212	0	15,156	0	285,509
Fund Equity:					
Reserved for Encumbrances	0	0	210	0	95,549
Reserved for Supplies Inventory	0	0	0	0	58,840
Reserved for Prepaid Items	0	0	0	0	3,144
Unreserved	7,729	191	253,861	74,076	816,257
Total Fund Equity	7,729	191	254,071	74,076	973,790
Total Liabilities and Fund Equity	\$8,941	\$191	\$269,227	\$74,076	\$1,259,299

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	688,042	55,788	0	631,551	75,126
Charges for Services	0	0	23,675	0	0
Fines and Forfeitures	0	0	0	0	21,883
All Other Revenues	6,921	691	710	614	550
Total Revenues	694,963	56,479	24,385	632,165	97,559
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	89,412
Public Health and Welfare Services	0	0	70,921	0	0
Community Environment	0	0	0	229,307	0
Transportation	720,166	60,551	0	0	0
General Government	0	0	0	0	0
Capital Outlay	5,878	2,071	1,066	232,005	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	726,044	62,622	71,987	461,312	89,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,081)	(6,143)	(47,602)	170,853	8,147
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	0	46,000	0	0
Operating Transfers Out	(43,500)	(5,000)	(3,000)	0	0
Total Other Financing Sources (Uses)	(43,500)	(5,000)	43,000	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(74,581)	(11,143)	(4,602)	170,853	8,147
Fund Balance (Deficit) at Beginning of Year	305,848	25,475	23,240	(73,390)	21,344
Decrease in Inventory Reserve	(5,972)	0	0	0	0
Fund Balance (Deficit) at End of Year	\$225,295	\$14,332	\$18,638	\$97,463	\$29,491

(Continued)

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Street Lighting	County Motor Vehicle License Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax
Revenues:					
Property Taxes	\$155,260	\$0	\$0	\$0	\$0
Intergovernmental Revenues	13,763	135,133	0	0	130,273
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	0	0	8,375	1,905	0
Total Revenues	169,023	135,133	8,375	1,905	130,273
Expenditures:					
Current:					
Security of Persons and Property	337,069	0	4,012	10,682	0
Public Health and Welfare Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	54,125	0	0	0
General Government	0	0	0	0	0
Capital Outlay	0	24,066	0	0	125,161
Debt Service:					
Principal Retirement	37,000	0	0	0	0
Interest and Fiscal Charges	8,167	0	0	0	0
Total Expenditures	382,236	78,191	4,012	10,682	125,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,213)	56,942	4,363	(8,777)	5,112
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	0	0	0	10,006	0
Operating Transfers In	196,000	0	0	0	0
Operating Transfers Out	0	(70,000)	(10,640)	0	0
Total Other Financing Sources (Uses)	196,000	(70,000)	(10,640)	10,006	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(17,213)	(13,058)	(6,277)	1,229	5,112
Fund Balance (Deficit) at Beginning of Year	260	44,365	6,846	5,127	23,289
Decrease in Inventory Reserve	0	0	0	0	0
Fund Balance (Deficit) at End of Year	(\$16,953)	\$31,307	\$569	\$6,356	\$28,401

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures	Fairborn School Tax Sharing	Damage Repair	Municipal Probation Services	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$155,260
0	0	0	0	0	0	1,729,676
0	0	0	0	0	0	23,675
26,425	3,906	191	0	0	63,689	116,094
0	0	0	0	22,020	0	41,786
<u>26,425</u>	<u>3,906</u>	<u>191</u>	<u>0</u>	<u>22,020</u>	<u>63,689</u>	<u>2,066,491</u>
0	8,858	0	0	0	0	450,033
0	0	0	0	0	0	70,921
0	0	0	0	0	0	229,307
0	0	0	0	0	0	834,842
0	0	0	27,096	79,711	0	106,807
0	0	0	0	60,959	0	451,206
0	0	0	0	0	0	37,000
0	0	0	0	0	0	8,167
<u>0</u>	<u>8,858</u>	<u>0</u>	<u>27,096</u>	<u>140,670</u>	<u>0</u>	<u>2,188,283</u>
26,425	(4,952)	191	(27,096)	(118,650)	63,689	(121,792)
0	0	0	0	0	0	10,006
0	0	0	27,096	75,000	0	344,096
0	0	0	0	0	0	(132,140)
<u>0</u>	<u>0</u>	<u>0</u>	<u>27,096</u>	<u>75,000</u>	<u>0</u>	<u>221,962</u>
26,425	(4,952)	191	0	(43,650)	63,689	100,170
176,399	12,681	0	0	297,721	10,387	879,592
0	0	0	0	0	0	(5,972)
<u>\$202,824</u>	<u>\$7,729</u>	<u>\$191</u>	<u>\$0</u>	<u>\$254,071</u>	<u>\$74,076</u>	<u>\$973,790</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STREET MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$700,189	\$703,340	\$3,151
All Other Revenues	8,000	7,875	(125)
Total Revenues	708,189	711,215	3,026
Expenditures:			
Current:			
Transportation:			
General Administration			
Personal Services	62,823	62,447	376
Other Expenditures	77,967	73,416	4,551
Total General Administration	140,790	135,863	4,927
Street Resurfacing Projects			
Personal Services	318,829	281,486	37,343
Other Expenditures	77,923	66,979	10,944
Total Street Resurfacing Projects	396,752	348,465	48,287
Ice and Snow Removal			
Other Expenditures	55,407	55,307	100
Traffic Signs and Signals			
Personal Services	90,173	89,809	364
Other Expenditures	75,380	74,047	1,333
Total Traffic Signs and Signals	165,553	163,856	1,697
Total Transportation	758,502	703,491	55,011
Capital Outlay			
Total Expenditures	764,662	709,369	55,293
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(56,473)	1,846	58,319
Other Financing Sources (Uses):			
Proceeds from the Sale of Fixed Assets	200	0	(200)
Operating Transfers Out	(43,500)	(43,500)	0
Total Other Financing Sources (Uses)	(43,300)	(43,500)	(200)
Excess (Deficiency) of Revenues and			
Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(99,773)	(41,654)	58,119
Fund Balance at Beginning of Year	192,128	192,128	0
Prior Year Encumbrances	13,058	13,058	0
Fund Balance at End of Year	\$105,413	\$163,532	\$58,119

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$56,718	\$57,028	\$310
All Other Revenues	775	691	(84)
Total Revenues	<u>57,493</u>	<u>57,719</u>	<u>226</u>
<u>Expenditures:</u>			
Current:			
Transportation:			
State Highway Maintenance			
Personal Services	44,236	44,192	44
Other Expenditures	17,198	15,244	1,954
Total Transportation	<u>61,434</u>	<u>59,436</u>	<u>1,998</u>
Capital Outlay	<u>4,147</u>	<u>3,765</u>	<u>382</u>
Total Expenditures	<u>65,581</u>	<u>63,201</u>	<u>2,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,088)	(5,482)	2,606
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,088)	(10,482)	2,606
Fund Balance at Beginning of Year	21,795	21,795	0
Prior Year Encumbrances	<u>2,470</u>	<u>2,470</u>	<u>0</u>
Fund Balance at End of Year	<u>\$11,177</u>	<u>\$13,783</u>	<u>\$2,606</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

CEMETERY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$22,700	\$23,675	\$975
All Other Revenues	1,100	710	(390)
Total Revenues	23,800	24,385	585
<u>Expenditures:</u>			
Current:			
Public Health and Welfare:			
Cemetery			
Personal Services	55,571	54,774	797
Other Expenditures	15,753	15,372	381
Total Public Health and Welfare	71,324	70,146	1,178
Capital Outlay	2,100	1,066	1,034
Total Expenditures	73,424	71,212	2,212
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,624)	(46,827)	2,797
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	46,000	46,000	0
Operating Transfers Out	(3,000)	(3,000)	0
Total Other Financing Sources (Uses)	43,000	43,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,624)	(3,827)	2,797
Fund Balance at Beginning of Year	25,358	25,358	0
Prior Year Encumbrances	95	95	0
Fund Balance at End of Year	\$18,829	\$21,626	\$2,797

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COMMUNITY DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$552,009	\$631,551	\$79,542
All Other Revenues	18,000	614	(17,386)
Total Revenues	<u>570,009</u>	<u>632,165</u>	<u>62,156</u>
<u>Expenditures:</u>			
Current:			
Community Environment:			
Entitlement Administration			
Personal Services	65,191	59,130	6,061
Other Expenditures	99,749	53,815	45,934
Total Entitlement Administration	<u>164,940</u>	<u>112,945</u>	<u>51,995</u>
Code Enforcement			
Personal Services	29,377	29,165	212
Other Expenditures	4,727	2,252	2,475
Total Code Enforcement	<u>34,104</u>	<u>31,417</u>	<u>2,687</u>
CHIP			
Other Expenditures	5,350	0	5,350
Housing Rehabilitation			
Other Expenditures	15,287	14,838	449
Emergency Repair			
Other Expenditures	10,937	10,937	0
Rental Rehabilitation			
Other Expenditures	850	850	0
Greene County Domestic Violence Project			
Other Expenditures	30,000	29,999	1
Public/Private Rehabilitation			
Personal Services	2,070	1,315	755
Other Expenditures	18,824	6,828	11,996
Total Public/Private Rehabilitation	<u>20,894</u>	<u>8,143</u>	<u>12,751</u>
Superior Audio-Visual Project			
Other Expenditures	49,738	49,738	0
Neighborhood Garden Project			
Other Expenditures	100	0	100
Total Community Environment	<u>332,200</u>	<u>258,867</u>	<u>73,333</u>

(Continued)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COMMUNITY DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Capital Outlay	279,049	257,250	21,799
Total Expenditures	611,249	516,117	95,132
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(41,240)	116,048	157,288
Fund Deficit at Beginning of Year	(140,389)	(140,389)	0
Prior Year Encumbrances	73,380	73,380	0
Fund Balance at End of Year	(\$108,249)	\$49,039	\$157,288

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

VICTIM WITNESS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$75,158	\$75,126	(\$32)
Fines and Forfeitures	20,000	22,229	2,229
All Other Revenues	1,050	550	(500)
Total Revenues	96,208	97,905	1,697
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Law Enforcement			
Personal Services	84,530	83,586	944
Other Expenditures	6,815	4,044	2,771
Total Security of Persons and Property	91,345	87,630	3,715
Capital Outlay	650	0	650
Total Expenditures	91,995	87,630	4,365
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	4,213	10,275	6,062
Fund Balance at Beginning of Year	22,408	22,408	0
Prior Year Encumbrances	879	879	0
Fund Balance at End of Year	\$27,500	\$33,562	\$6,062

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STREET LIGHTING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$154,222	\$154,222	\$0
Intergovernmental Revenues	13,763	13,763	0
Total Revenues	167,985	167,985	0
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Street Lighting			
Other Expenditures	542,890	542,884	6
Total Security of Persons and Property	542,890	542,884	6
Debt Service:			
Principal Retirement	37,000	37,000	0
Interest and Fiscal Charges	8,410	8,167	243
Total Expenditures	588,300	588,051	249
Excess (Deficiency) of Revenues Over (Under) Expenditures	(420,315)	(420,066)	249
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	196,000	196,000	0
Total Other Financing Sources (Uses)	196,000	196,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(224,315)	(224,066)	249
Fund Balance at Beginning of Year	32,207	32,207	0
Prior Year Encumbrances	199,500	199,500	0
Fund Balance at End of Year	\$7,392	\$7,641	\$249

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COUNTY MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$192,000	\$135,546	(\$56,454)
Total Revenues	192,000	135,546	(56,454)
<u>Expenditures:</u>			
Current:			
Transportation:			
Street Resurfacing Projects			
Other Expenditures	54,951	54,925	26
Total Transportation	54,951	54,925	26
Capital Outlay	156,460	50,834	105,626
Total Expenditures	211,411	105,759	105,652
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,411)	29,787	49,198
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(70,000)	(70,000)	0
Total Other Financing Sources (Uses)	(70,000)	(70,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(89,411)	(40,213)	49,198
Fund Balance at Beginning of Year	28,143	28,143	0
Prior Year Encumbrances	11,411	11,411	0
Fund Deficit at End of Year	(\$49,857)	(\$659)	\$49,198

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

LAW ENFORCEMENT TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$9,000	\$8,375	(\$625)
Total Revenues	9,000	8,375	(625)
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	4,089	4,012	77
Total Security of Persons and Property	4,089	4,012	77
Total Expenditures	4,089	4,012	77
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,911	4,363	(548)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(10,640)	(10,640)	0
Total Other Financing Sources (Uses)	(10,640)	(10,640)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,729)	(6,277)	(548)
Fund Balance at Beginning of Year	4,063	4,063	0
Prior Year Encumbrances	2,783	2,783	0
Fund Balance at End of Year	\$1,117	\$569	(\$548)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

DRUG LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$2,000	\$2,120	\$120
Total Revenues	2,000	2,120	120
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Drug Law Enforcement			
Other Expenditures	10,700	10,682	18
Total Expenditures	10,700	10,682	18
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,700)	(8,562)	138
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Fixed Assets	10,150	10,006	(144)
Total Other Financing Sources (Uses)	10,150	10,006	(144)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,450	1,444	(6)
Fund Balance at Beginning of Year	4,912	4,912	0
Fund Balance at End of Year	\$6,362	\$6,356	(\$6)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

CITY MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$131,144	\$131,100	(\$44)
Total Revenues	<u>131,144</u>	<u>131,100</u>	<u>(44)</u>
<u>Expenditures:</u>			
Capital Outlay	128,000	125,604	2,396
Total Expenditures	<u>128,000</u>	<u>125,604</u>	<u>2,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,144	5,496	2,352
Fund Balance at Beginning of Year	13,665	13,665	0
Fund Balance at End of Year	<u><u>\$16,809</u></u>	<u><u>\$19,161</u></u>	<u><u>\$2,352</u></u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$25,900	\$26,276	\$376
Total Revenues	25,900	26,276	376
<u>Expenditures:</u>			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	20,900	26,276	5,376
Fund Balance at Beginning of Year	175,595	175,595	0
Fund Balance at End of Year	\$196,495	\$201,871	\$5,376

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

ALCOHOL ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and Forfeitures	\$4,000	\$3,647	(\$353)
Total Revenues	4,000	3,647	(353)
Expenditures:			
Current:			
Security of Persons and Property:			
Law Enforcement			
Other Expenditures	10,785	7,646	3,139
Total Security of Persons and Property	10,785	7,646	3,139
Capital Outlay	1,215	1,212	3
Total Expenditures	12,000	8,858	3,142
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(8,000)	(5,211)	2,789
Fund Balance at Beginning of Year	12,348	12,348	0
Fund Balance at End of Year	\$4,348	\$7,137	\$2,789

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

FEDERAL FORFEITURES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$191	\$191	\$0
Total Revenues	191	191	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	191	191	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$191	\$191	\$0

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

FAIRBORN SCHOOL TAX SHARING FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<hr/>			
<u>Expenditures:</u>			
Current:			
General Government:			
Other Expenditures	27,100	27,096	4
Total Expenditures	<u>27,100</u>	<u>27,096</u>	<u>4</u>
<hr/>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,100)	(27,096)	4
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	28,000	27,096	(904)
Total Other Financing Sources (Uses)	<u>28,000</u>	<u>27,096</u>	<u>(904)</u>
<hr/>			
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	900	0	(900)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$900</u></u>	<u><u>\$0</u></u>	<u><u>(\$900)</u></u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

DAMAGE REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$17,700	\$22,020	\$4,320
Total Revenues	17,700	22,020	4,320
<u>Expenditures:</u>			
Current:			
General Government:			
Other Expenditures	82,245	81,676	569
Total General Government	82,245	81,676	569
Capital Outlay	61,470	60,959	511
Total Expenditures	143,715	142,635	1,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,015)	(120,615)	5,400
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	75,000	75,000
Total Other Financing Sources (Uses)	0	75,000	75,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(126,015)	(45,615)	80,400
Fund Balance at Beginning of Year	244,695	244,695	0
Prior Year Encumbrances	57,915	57,915	0
Fund Balance at End of Year	\$176,595	\$256,995	\$80,400

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

MUNICIPAL PROBATION SERVICES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$60,451	\$62,388	\$1,937
Total Revenues	60,451	62,388	1,937
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,451	62,388	1,937
Fund Balance at Beginning of Year	6,935	6,935	0
Fund Balance at End of Year	<u>\$67,386</u>	<u>\$69,323</u>	<u>\$1,937</u>

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

General Bond Retirement Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Tax Increment Fund

To account for revenue received from payments in lieu of taxes from area businesses that enter into tax increment financing agreements. These monies will pay the debt service on money borrowed to complete capital improvements.

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
DECEMBER 31, 2000

	General Bond Retirement	Tax Increment	Totals
Assets:			
Cash and Cash Equivalents	\$155,012	\$7,243	\$162,255
Investments	513,778	0	513,778
Receivables:			
Taxes	210,296	0	210,296
Special Assessments	3,176,763	0	3,176,763
Interest	5,069	0	5,069
Restricted Assets:			
Cash with Fiscal Agent	7,444	0	7,444
Total Assets	<u>\$4,068,362</u>	<u>\$7,243</u>	<u>\$4,075,605</u>
Liabilities:			
Matured Bonds and Interest Payable	\$7,302	\$0	\$7,302
Deferred Revenue	3,381,725	0	3,381,725
Total Liabilities	<u>3,389,027</u>	<u>0</u>	<u>3,389,027</u>
Fund Equity:			
Fund Balances:			
Reserved for Debt Service	679,335	7,243	686,578
Total Fund Equity	<u>679,335</u>	<u>7,243</u>	<u>686,578</u>
Total Liabilities and Fund Equity	<u>\$4,068,362</u>	<u>\$7,243</u>	<u>\$4,075,605</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	General Bond Retirement	Tax Increment	Totals
<u>Revenues:</u>			
Property Taxes	\$194,044	\$0	\$194,044
Intergovernmental Revenues	22,077	0	22,077
Licenses and Permits	0	7,335	7,335
Investment Earnings	49,616	0	49,616
Special Assessments	410,636	0	410,636
All Other Revenues	24,101	0	24,101
Total Revenues	700,474	7,335	707,809
<u>Expenditures:</u>			
Current:			
General Government	38,613	92	38,705
Debt Service:			
Principal Retirement	306,000	0	306,000
Interest and Fiscal Charges	251,934	0	251,934
Total Expenditures	596,547	92	596,639
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,927	7,243	111,170
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(25,000)	0	(25,000)
Total Other Financing Sources (Uses)	(25,000)	0	(25,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	78,927	7,243	86,170
Fund Balance at Beginning of Year	600,408	0	600,408
Fund Balance End of Year	\$679,335	\$7,243	\$686,578

CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$187,589	\$192,113	\$4,524
Intergovernmental Revenues	22,077	22,077	0
Investment Earnings	41,500	50,348	8,848
Special Assessments	410,635	410,636	1
All Other Revenues	24,100	24,101	1
Total Revenues	685,901	699,275	13,374
Expenditures:			
General Government:			
Other Expenditures	38,947	39,107	(160)
Total General Government	38,947	39,107	(160)
Debt Service:			
Principal Retirement	306,000	306,000	0
Interest and Fiscal Charges	252,181	251,934	247
Total Debt Service	558,181	557,934	247
Total Expenditures	597,128	597,041	87
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,773	102,234	13,461
Other Financing Sources (Uses):			
Operating Transfers In	4,845	0	(4,845)
Operating Transfers Out	(25,000)	(25,000)	0
Total Other Financing Sources (Uses)	(20,155)	(25,000)	(4,845)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	68,618	77,234	8,616
Fund Balance at Beginning of Year	592,422	592,422	0
Prior Years Encumbrances	32	32	0
Fund Balance at End of Year	\$661,072	\$669,688	\$8,616

CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

TAX INCREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Licenses and Permits	\$7,335	\$7,335	\$0
Total Revenues	7,335	7,335	0
Expenditures:			
General Government:			
Other Expenditures	95	92	3
Total Expenditures	95	92	3
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,240	7,243	3
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$7,240	\$7,243	\$3



CAPITAL PROJECTS FUNDS

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

Issue II Improvement Fund

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

Municipal Court Improvement Fund

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

Court Special Projects Fund

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

General Capital Improvement Fund

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

Parks and Recreation Improvement Fund

To account for hotel/motel tax and grants for the improvement of the City park system.

Library Improvement Fund

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

Buildings and Land Fund

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

Special Assessment Construction Fund

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

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Assets:				
Cash and Cash Equivalents	\$138,365	\$244,586	\$229,246	\$410,714
Investments	458,606	0	0	0
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	0	0	0	0
Special Assessments	0	0	0	0
Interest	3,934	0	0	0
Due from Other Funds	0	9,440	8,604	0
Total Assets	\$600,905	\$254,026	\$237,850	\$410,714
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$8,730	\$1,140	\$0	\$1,211
Accrued Interest Payable	10,714	0	0	0
Deferred Revenue	0	0	0	0
General Obligation Notes Payable	700,000	0	0	0
Special Assessment Notes Payable	0	0	0	0
Total Liabilities	719,444	1,140	0	1,211
Fund Equity:				
Reserved for Encumbrances	810,142	9,554	0	0
Unreserved	(928,681)	243,332	237,850	409,503
Total Fund Equity	(118,539)	252,886	237,850	409,503
Total Liabilities and Fund Equity	\$600,905	\$254,026	\$237,850	\$410,714

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000

Parks and Recreation Improvement	Library Improvement	Buildings and Land	Special Assessment Construction	Totals
\$91,590	\$416	\$78,196	\$100,209	\$1,293,322
0	0	0	0	458,606
26,047	0	11,677	0	37,724
0	0	0	6,676	6,676
0	0	0	20,550	20,550
0	0	0	0	3,934
0	0	0	0	18,044
<u>\$117,637</u>	<u>\$416</u>	<u>\$89,873</u>	<u>\$127,435</u>	<u>\$1,838,856</u>
\$894	\$0	\$2,550	\$0	\$14,525
0	0	0	281	10,995
5,092	0	0	20,550	25,642
0	0	0	0	700,000
0	0	0	67,456	67,456
<u>5,986</u>	<u>0</u>	<u>2,550</u>	<u>88,287</u>	<u>818,618</u>
3,095	0	32,769	0	855,560
<u>108,556</u>	<u>416</u>	<u>54,554</u>	<u>39,148</u>	<u>164,678</u>
<u>111,651</u>	<u>416</u>	<u>87,323</u>	<u>39,148</u>	<u>1,020,238</u>
<u>\$117,637</u>	<u>\$416</u>	<u>\$89,873</u>	<u>\$127,435</u>	<u>\$1,838,856</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	396,352	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	12,047	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	153,174	136,678	0
All Other Revenues	7,778	0	0	6,034
Total Revenues	416,177	153,174	136,678	6,034
Expenditures:				
Current:				
Leisure Time Activities	0	0	0	0
General Government	0	28,236	0	13,558
Capital Outlay	640,905	24,894	0	405,523
Debt Service:				
Principal Retirement	0	0	0	20,000
Interest and Fiscal Charges	10,714	0	0	12,500
Total Expenditures	651,619	53,130	0	451,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,442)	100,044	136,678	(445,547)
Other Financing Sources (Uses):				
Operating Transfers In	70,000	0	0	491,000
Operating Transfers Out	0	(51,805)	0	0
Total Other Financing Sources (Uses)	70,000	(51,805)	0	491,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(165,442)	48,239	136,678	45,453
Fund Balance at Beginning of Year	46,903	204,647	101,172	364,050
Fund Balance (Deficit) at End of Year	(\$118,539)	\$252,886	\$237,850	\$409,503

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Parks and Recreation Improvement	Library Improvement	Buildings and Land	Special Assessment Construction	Totals
\$88,535	\$0	\$0	\$0	\$88,535
31,000	0	0	0	427,352
12,258	0	0	2,458	14,716
0	0	0	0	12,047
0	0	0	33,829	33,829
0	0	0	0	289,852
5,019	0	1,913	6,089	26,833
136,812	0	1,913	42,376	893,164
8,975	0	0	0	8,975
0	0	9,599	6,976	58,369
150,538	0	68,963	2,204	1,293,027
0	0	60,000	0	80,000
0	0	23,400	4,702	51,316
159,513	0	161,962	13,882	1,491,687
(22,701)	0	(160,049)	28,494	(598,523)
0	0	171,750	0	732,750
0	0	0	0	(51,805)
0	0	171,750	0	680,945
(22,701)	0	11,701	28,494	82,422
134,352	416	75,622	10,654	937,816
\$111,651	\$416	\$87,323	\$39,148	\$1,020,238

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

ISSUE II IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$745,000	\$396,352	(\$348,648)
Investment Earnings	0	8,915	8,915
All Other Revenues	0	7,778	7,778
Total Revenues	745,000	413,045	(331,955)
Expenditures:			
Capital Outlay	1,479,564	1,451,947	27,617
Total Expenditures	1,479,564	1,451,947	27,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	(734,564)	(1,038,902)	(304,338)
Other Financing Sources (Uses):			
Proceeds from General Obligation Notes	630,500	700,000	69,500
Operating Transfers In	130,000	70,000	(60,000)
Total Other Financing Sources (Uses)	760,500	770,000	9,500
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	25,936	(268,902)	(294,838)
Fund Balance at Beginning of Year	38,818	38,818	0
Prior Year Encumbrances	9,064	9,064	0
Fund Deficit at End of Year	\$73,818	(\$221,020)	(\$294,838)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

MUNICIPAL COURT IMPROVEMENT FUND

	<u>Revised</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Budget</u>		
<u>Revenues:</u>			
Fines and Forfeitures	\$156,400	\$155,585	(\$815)
Total Revenues	156,400	155,585	(815)
<u>Expenditures:</u>			
Current:			
General Government:			
Other Expenditures	29,017	28,836	181
Total General Government	29,017	28,836	181
Capital Outlay	34,773	34,767	6
Total Expenditures	63,790	63,603	187
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	92,610	91,982	(628)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(51,807)	(51,805)	2
Total Other Financing Sources (Uses)	(51,807)	(51,805)	2
Excess (Deficiency) of Revenues			
and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	40,803	40,177	(626)
Fund Balance at Beginning of Year	183,695	183,695	0
Prior Year Encumbrances	10,020	10,020	0
Fund Balance at End of Year	\$234,518	\$233,892	(\$626)

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COURT SPECIAL PROJECTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$139,000	\$138,514	(\$486)
Total Revenues	139,000	138,514	(486)
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,000	138,514	(486)
Fund Balance at Beginning of Year	90,732	90,732	0
Fund Balance at End of Year	<u>\$229,732</u>	<u>\$229,246</u>	<u>(\$486)</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Municipal Income Taxes	\$114,500	\$0	(\$114,500)
All Other Revenues	0	6,034	6,034
Total Revenues	<u>114,500</u>	<u>6,034</u>	<u>(108,466)</u>
Expenditures:			
General Government:			
Other Expenditures	25,487	13,558	11,929
Total General Government	<u>25,487</u>	<u>13,558</u>	<u>11,929</u>
Capital Outlay	619,455	453,070	166,385
Debt Service:			
Principal Retirement	20,000	20,000	0
Interest and Fiscal Charges	12,500	12,500	0
Total Expenditures	<u>677,442</u>	<u>499,128</u>	<u>178,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(562,942)	(493,094)	69,848
Other Financing Sources (Uses):			
Operating Transfers In	376,500	491,000	114,500
Total Other Financing Sources (Uses)	<u>376,500</u>	<u>491,000</u>	<u>114,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(186,442)	(2,094)	184,348
Fund Balance at Beginning of Year	291,355	291,355	0
Prior Year Encumbrances	120,242	120,242	0
Fund Balance at End of Year	<u>\$225,155</u>	<u>\$409,503</u>	<u>\$184,348</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PARKS AND RECREATION IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$93,740	\$95,376	\$1,636
Intergovernmental Revenues	30,000	31,000	1,000
Charges for Services	13,250	13,258	8
All Other Revenues	5,010	5,019	9
Total Revenues	<u>142,000</u>	<u>144,653</u>	<u>2,653</u>
<u>Expenditures:</u>			
Current:			
Leisure Time Activities:			
Parks			
Other Expenditures	13,687	8,975	4,712
Total Leisure Time Activities	<u>13,687</u>	<u>8,975</u>	<u>4,712</u>
Capital Outlay	<u>180,432</u>	<u>154,024</u>	<u>26,408</u>
Total Expenditures	<u>194,119</u>	<u>162,999</u>	<u>31,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,119)	(18,346)	33,773
Fund Balance at Beginning of Year	93,724	93,724	0
Prior Year Encumbrances	<u>12,619</u>	<u>12,619</u>	<u>0</u>
Fund Balance at End of Year	<u>\$54,224</u>	<u>\$87,997</u>	<u>\$33,773</u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

LIBRARY IMPROVEMENT FUND

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

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

BUILDINGS AND LAND FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$1,900	\$1,913	\$13
Total Revenues	1,900	1,913	13
<u>Expenditures:</u>			
Current:			
General Government:			
Other Expenditures	38,804	38,336	468
Total General Government	38,804	38,336	468
Capital Outlay	94,851	79,994	14,857
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	23,400	23,400	0
Total Expenditures	217,055	201,730	15,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	(215,155)	(199,817)	15,338
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	171,750	171,750	0
Total Other Financing Sources (Uses)	171,750	171,750	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,405)	(28,067)	15,338
Fund Balance at Beginning of Year	42,689	42,689	0
Prior Year Encumbrances	28,255	28,255	0
Fund Balance at End of Year	\$27,539	\$42,877	\$15,338

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

SPECIAL ASSESSMENT CONSTRUCTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Special Assessments	\$33,829	\$33,829	\$0
All Other Revenues	5,748	6,089	341
Total Revenues	39,577	39,918	341
Expenditures:			
Current:			
General Government:			
Other Expenditures	6,980	6,976	4
Total General Government	6,980	6,976	4
Capital Outlay	4,480	2,204	2,276
Debt Service:			
Principal Retirement	29,006	29,006	0
Interest and Fiscal Charges	4,823	4,823	0
Total Expenditures	45,289	43,009	2,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,712)	(3,091)	2,621
Fund Balance at Beginning of Year	101,840	101,840	0
Prior Year Encumbrances	1,460	1,460	0
Fund Balance at End of Year	\$97,588	\$100,209	\$2,621



ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

Sanitation Fund

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

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2000

	Water	Sewer	Sanitation	Totals
Assets:				
Cash and Cash Equivalents	\$400,963	\$413,755	\$858,093	\$1,672,811
Investments	1,510,601	1,553,248	0	3,063,849
Receivables (net of allowances for doubtful accounts):				
Accounts	210,912	364,670	209,965	785,547
Interest	2,431	0	0	2,431
Due from Other Funds	0	921	0	921
Inventory of Supplies at Cost	119,124	11,178	0	130,302
Prepaid Items	4,082	6,741	0	10,823
Restricted Assets:				
Cash and Cash Equivalents	55,074	55,074	55,075	165,223
Cash with Fiscal Agent	66,114	0	0	66,114
Property, Plant and Equipment	14,852,282	20,811,257	188,975	35,852,514
Less Accumulated Depreciation	(6,921,066)	(8,984,533)	(93,320)	(15,998,919)
Net Fixed Assets	7,931,216	11,826,724	95,655	19,853,595
Construction in Progress	1,787,316	0	0	1,787,316
Total Assets	\$12,087,833	\$14,232,311	\$1,218,788	\$27,538,932
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$34,889	\$101,542	\$175,387	\$311,818
Accrued Wages and Benefits	39,977	58,866	3,322	102,165
Due to Other Funds	965	811	144	1,920
Intergovernmental Payables	17,514	20,817	1,100	39,431
Matured Bonds and Interest Payable	65,512	0	0	65,512
Accrued Interest Payable	60,479	69,310	0	129,789
Landfill Closure Costs	0	0	363,942	363,942
Refundable Deposits	55,074	55,074	55,075	165,223
Compensated Absences Payable	57,507	78,897	7,200	143,604
General Obligation Notes Payable	2,100,000	1,100,000	0	3,200,000
General Obligation Bonds Payable	1,887,500	1,807,500	0	3,695,000
Ohio Water Development Authority Loan Payable	0	4,141,982	0	4,141,982
Ohio Public Works Commission Loan Payable	250,282	0	0	250,282
Total Liabilities	4,569,699	7,434,799	606,170	12,610,668
Fund Equity:				
Contributed Capital	6,859,316	8,034,147	0	14,893,463
Retained Earnings:				
Unreserved	658,818	(1,236,635)	612,618	34,801
Total Fund Equity	7,518,134	6,797,512	612,618	14,928,264
Total Liabilities and Fund Equity	\$12,087,833	\$14,232,311	\$1,218,788	\$27,538,932

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Water	Sewer	Sanitation	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$2,189,819	\$3,565,010	\$1,797,942	\$7,552,771
Other Operating Revenues	39,780	25,395	1,034	66,209
Total Operating Revenues	2,229,599	3,590,405	1,798,976	7,618,980
<u>Operating Expenses:</u>				
Personal Services	772,673	1,040,296	74,897	1,887,866
Materials and Supplies	87,744	299,898	17,465	405,107
Contractual Services	822,382	888,440	1,625,741	3,336,563
Depreciation	602,172	785,231	2,564	1,389,967
Total Operating Expenses	2,284,971	3,013,865	1,720,667	7,019,503
Operating Income (Loss)	(55,372)	576,540	78,309	599,477
<u>Nonoperating Revenues (Expenses):</u>				
Gain on Sale of Fixed Assets	348	0	0	348
Investment Earnings	105,477	412	0	105,889
Interest and Fiscal Charges	(220,269)	(430,329)	0	(650,598)
Nonoperating Expenses	(21,351)	(139)	0	(21,490)
Total Nonoperating Revenues (Expenses)	(135,795)	(430,056)	0	(565,851)
Income (Loss) Before Operating Transfers	(191,167)	146,484	78,309	33,626
<u>Operating Transfers:</u>				
Operating Transfers In	33,812	0	0	33,812
Operating Transfers Out	0	(33,812)	0	(33,812)
Total Operating Transfers	33,812	(33,812)	0	0
Net Income (Loss)	(157,355)	112,672	78,309	33,626
<u>Restated Retained Earnings/</u>				
(Accumulated Deficit) at Beginning of Year	816,173	(1,349,307)	534,309	1,175
<u>Retained Earnings/</u>				
(Accumulated Deficit) at End of Year	\$658,818	(\$1,236,635)	\$612,618	\$34,801

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Water	Sewer	Sanitation	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$2,229,054	\$3,611,371	\$1,806,452	\$7,646,877
Cash Payments for Goods and Services	(962,634)	(1,190,228)	(1,757,829)	(3,910,691)
Cash Payments to Employees	(759,274)	(1,034,835)	(78,727)	(1,872,836)
Other Operating Receipts	39,780	273,032	1,034	313,846
Customer Deposits Received	22,650	22,650	22,650	67,950
Customer Deposits Returned	(22,554)	(22,554)	(22,553)	(67,661)
Net Cash Provided (Used) by Operating Activities	<u>547,022</u>	<u>1,659,436</u>	<u>(28,973)</u>	<u>2,177,485</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	33,812	0	0	33,812
Transfers Out to Other Funds	0	(33,812)	0	(33,812)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>33,812</u>	<u>(33,812)</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(1,893,800)	(466,739)	(3,435)	(2,363,974)
Proceeds from General Obligation Notes	2,100,000	1,100,000	0	3,200,000
Principal Paid on General Obligation Notes	(2,100,000)	(1,100,000)	0	(3,200,000)
Proceeds from Sale of Fixed Assets	348	0	0	348
Principal Paid on General Obligation Bonds	(187,500)	(157,500)	0	(345,000)
Principal Paid on Ohio Public Works Commission Loan	(16,685)	0	0	(16,685)
Proceeds of Ohio Water Development Authority Loan	0	6,065	0	6,065
Principal Paid on Ohio Water Development Authority Loan	0	(260,506)	0	(260,506)
Interest Paid on All Debt	(217,267)	(423,444)	0	(640,711)
Net Cash Used by Capital and Related Financing Activities	<u>(2,314,904)</u>	<u>(1,302,124)</u>	<u>(3,435)</u>	<u>(3,620,463)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	152,450	3,999	0	156,449
Purchase of Investments	0	(312,534)	0	(312,534)
Sale of Investments	1,163,401	0	674,372	1,837,773
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,315,851</u>	<u>(308,535)</u>	<u>674,372</u>	<u>1,681,688</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(418,219)	14,965	641,964	238,710
Cash and Cash Equivalents at Beginning of Year	940,370	453,864	271,204	1,665,438
Cash and Cash Equivalents at End of Year	<u>\$522,151</u>	<u>\$468,829</u>	<u>\$913,168</u>	<u>\$1,904,148</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$400,963	\$413,755	\$858,093	\$1,672,811
Restricted Cash and Cash Equivalents	55,074	55,074	55,075	165,223
Restricted Cash with Fiscal Agent	66,114	0	0	66,114
Cash and Cash Equivalents at End of Year	<u>\$522,151</u>	<u>\$468,829</u>	<u>\$913,168</u>	<u>\$1,904,148</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Water	Sewer	Sanitation	Totals
<u>Reconciliation of Operating Income (Loss) to</u>				
<u>Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$55,372)	\$576,540	\$78,309	\$599,477
Adjustments to Reconcile Operating Income (Loss) to				
<u>Net Cash Provided (Used) by Operating Activities:</u>				
Depreciation Expense	602,172	785,231	2,564	1,389,967
Nonoperating Revenue	0	247,637	0	247,637
Nonoperating Expenses	(21,351)	(139)	0	(21,490)
<u>Changes in Assets and Liabilities:</u>				
Decrease in Accounts Receivable	39,235	46,398	8,510	94,143
Increase in Due From Other Funds	0	(37)	0	(37)
Decrease (Increase) in Inventory	(28,687)	944	0	(27,743)
Increase in Prepaid Items	(79)	(132)	0	(211)
Increase (Decrease) in Accounts Payable	(2,589)	1,784	(94,358)	(95,163)
Increase in Accrued Wages and Benefits	16,235	21,328	162	37,725
Increase (Decrease) in Due to Other Funds	270	183	(46)	407
Decrease in Intergovernmental Payable	(6,349)	(16,325)	(1,660)	(24,334)
Decrease in Landfill Closure Costs	0	0	(20,219)	(20,219)
Increase (Decrease) in Compensated Absences	3,441	(4,072)	(2,332)	(2,963)
Increase in Refundable Deposits Payable	96	96	97	289
Total Adjustments	602,394	1,082,896	(107,282)	1,578,008
Net Cash Provided (Used) by Operating Activities	<u>\$547,022</u>	<u>\$1,659,436</u>	<u>(\$28,973)</u>	<u>\$2,177,485</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000, the Water Fund and the Sewer Fund had outstanding liabilities of \$7,917 and \$42,273, respectively for the purchase of certain capital assets.

The Water and Sewer Funds received \$261,308 and \$720,086, respectively, of capital assets contributed by other funds.

During 2000, the fair value of investments decreased by \$2,641 and \$2,716 in the Water and Sewer Funds, respectively.

INTERNAL SERVICE FUNDS

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

Equipment Fund

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

Self-Insurance Fund

To account for the payment of non-union employees' dental insurance claims.

THE CITY OF FAIRBORN, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2000

	Equipment	Self- Insurance	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$210,266	\$27,969	\$238,235
Investments	0	92,703	92,703
Receivables (net of allowance for doubtful accounts):			
Accounts	17,106	0	17,106
Interest	0	461	461
Due from Other Funds	10,633	0	10,633
Intergovernmental Receivables	24,710	0	24,710
Inventory of Supplies at Cost	81,323	0	81,323
Prepaid Items	2,362	0	2,362
Property, Plant and Equipment	243,392	0	243,392
Less Accumulated Depreciation	(110,860)	0	(110,860)
Net Fixed Assets	<u>132,532</u>	<u>0</u>	<u>132,532</u>
Total Assets	<u>\$478,932</u>	<u>\$121,133</u>	<u>\$600,065</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$30,042	\$0	\$30,042
Accrued Wages and Benefits	25,735	0	25,735
Due to Other Funds	171	0	171
Intergovernmental Payables	10,643	0	10,643
Claims Payable	0	4,115	4,115
Compensated Absences Payable	26,169	0	26,169
Total Liabilities	<u>92,760</u>	<u>4,115</u>	<u>96,875</u>
Fund Equity:			
Contributed Capital	58,658	0	58,658
Retained Earnings:			
Unreserved	327,514	117,018	444,532
Total Fund Equity	<u>386,172</u>	<u>117,018</u>	<u>503,190</u>
Total Liabilities and Fund Equity	<u>\$478,932</u>	<u>\$121,133</u>	<u>\$600,065</u>

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Equipment	Self- Insurance	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$954,622	\$43,972	\$998,594
Total Operating Revenues	954,622	43,972	998,594
<u>Operating Expenses:</u>			
Personal Services	469,280	0	469,280
Materials and Supplies	438,977	0	438,977
Contractual Services	37,540	0	37,540
Dental Insurance Claims	0	43,561	43,561
Depreciation	14,341	0	14,341
Total Operating Expenses	960,138	43,561	1,003,699
Operating Income (Loss)	(5,516)	411	(5,105)
<u>Nonoperating Revenues:</u>			
Intergovernmental Revenues	5,606	0	5,606
Investment Earnings	0	4,947	4,947
Total Nonoperating Revenues	5,606	4,947	10,553
Net Income	90	5,358	5,448
Restated Retained Earnings at Beginning of Year	327,424	111,660	439,084
Retained Earnings at End of Year	\$327,514	\$117,018	\$444,532

THE CITY OF FAIRBORN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Equipment	Self- Insurance	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Receipts from Quasi-External			
Operating Transactions with Other Funds	\$949,629	\$43,972	\$993,601
Cash Payments for Goods and Services	(510,365)	0	(510,365)
Cash Payments to Employees	(461,078)	0	(461,078)
Cash Payments for Employee Medical/Dental Claims	0	(40,363)	(40,363)
Net Cash Provided (Used) by Operating Activities	<u>(21,814)</u>	<u>3,609</u>	<u>(18,205)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(19,280)	0	(19,280)
Net Cash Used for Capital and Related Financing Activities	<u>(19,280)</u>	<u>0</u>	<u>(19,280)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	5,027	5,027
Purchase of Investments	0	(7,907)	(7,907)
Net Cash Used by Investing Activities	<u>0</u>	<u>(2,880)</u>	<u>(2,880)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(41,094)	729	(40,365)
Cash and Cash Equivalents at Beginning of Year	251,360	27,240	278,600
Cash and Cash Equivalents at End of Year	<u>\$210,266</u>	<u>\$27,969</u>	<u>\$238,235</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u> Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$5,516)	\$411	(\$5,105)
Adjustments to Reconcile Operating Income (Loss) to			
 Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	14,341	0	14,341
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(2,713)	0	(2,713)
Increase in Due from Other Funds	(2,280)	0	(2,280)
Decrease in Inventory	940	0	940
Increase in Prepaid Items	(46)	0	(46)
Decrease in Accounts Payable	(33,827)	0	(33,827)
Increase in Accrued Wages and Benefits	10,109	0	10,109
Increase in Due to Other Funds	37	0	37
Decrease in Intergovernmental Payables	(5,270)	0	(5,270)
Increase in Compensated Absences Payable	2,411	0	2,411
Increase in Claims Payable	0	3,198	3,198
Total Adjustments	<u>(16,298)</u>	<u>3,198</u>	<u>(13,100)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$21,814)</u>	<u>\$3,609</u>	<u>(\$18,205)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000, the Equipment Fund had an outstanding liability of \$2,876 for the purchase of certain capital assets.

The Equipment Fund received \$58,658 of capital assets contributed by other funds.

During 2000, the fair value of investments decreased by \$162 in the Self-Insurance Fund.

FIDUCIARY FUND TYPE

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

AGENCY FUND

Municipal Court Fund

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

THE CITY OF FAIRBORN, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Balance December 31, 1999	Additions	Deductions	Balance December 31, 2000
<u>Municipal Court</u>				
Restricted Assets:				
Cash with Fiscal Agent	\$357,988	\$3,414,548	(\$3,369,924)	\$402,612
Total Assets	<u>\$357,988</u>	<u>\$3,414,548</u>	<u>(\$3,369,924)</u>	<u>\$402,612</u>
Liabilities:				
Due to Other Funds	\$114,594	\$851,966	(\$866,104)	\$100,456
Intergovernmental Payables	103,418	1,088,842	(1,063,874)	128,386
Undistributed Money	139,976	1,473,740	(1,439,946)	173,770
Total Liabilities	<u>\$357,988</u>	<u>\$3,414,548</u>	<u>(\$3,369,924)</u>	<u>\$402,612</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000

General Fixed Assets

Land	\$1,809,695
Buildings and Improvements	5,005,068
Machinery and Equipment	5,485,665
Vehicles	3,761,545
Construction In Progress	63,129
	<hr/>
Total General Fixed Assets	<u><u>\$16,125,102</u></u>

Investment in General Fixed Assets

General Fund	\$5,389,779
Special Revenue Funds	1,159,515
Capital Project Funds	3,688,363
Enterprise Funds	171,270
Internal Service Funds	12,613
Acquired prior to January 1, 1989	5,703,562
	<hr/>
Total Investment in General Fixed Assets	<u><u>\$16,125,102</u></u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2000

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>Security of Persons and Property:</u>						
Police	\$0	\$142,940	\$1,579,059	\$779,757	\$63,129	\$2,564,885
Fire	45,711	453,150	428,759	2,022,579	0	2,950,199
Total	<u>45,711</u>	<u>596,090</u>	<u>2,007,818</u>	<u>2,802,336</u>	<u>63,129</u>	<u>5,515,084</u>
<u>Public Health and Welfare Services:</u>						
Cemetery	0	22,681	40,675	15,015	0	78,371
<u>Leisure Time Activities:</u>						
Parks	1,006,836	144,888	22,849	0	0	1,174,573
Parks and Recreation	70,910	69,327	166,078	0	0	306,315
Total	<u>1,077,746</u>	<u>214,215</u>	<u>188,927</u>	<u>0</u>	<u>0</u>	<u>1,480,888</u>
<u>Community Environment:</u>						
Building Inspection	0	0	37,865	26,114	0	63,979
Community Development	0	4,751	127,519	13,259	0	145,529
Total	<u>0</u>	<u>4,751</u>	<u>165,384</u>	<u>39,373</u>	<u>0</u>	<u>209,508</u>
<u>Transportation:</u>						
Street	380,250	265,033	236,279	650,899	0	1,532,461
State Highway	0	0	28,357	40,970	0	69,327
Total	<u>380,250</u>	<u>265,033</u>	<u>264,636</u>	<u>691,869</u>	<u>0</u>	<u>1,601,788</u>
<u>General Government:</u>						
City Manager	0	0	48,071	11,762	0	59,833
Audio Visual	0	0	117,197	0	0	117,197
Council	0	0	43,275	0	0	43,275
Municipal Court	0	22,140	1,269,529	35,148	0	1,326,817
Finance	0	0	307,533	0	0	307,533
Personnel	0	0	11,016	0	0	11,016
Engineering/Draft	1,839	101,392	103,668	74,873	0	281,772
Plant Maintenance	304,149	3,778,766	610,876	91,169	0	4,784,960
Electronic Maintenance	0	0	87,743	0	0	87,743
Library	0	0	219,317	0	0	219,317
Total	<u>305,988</u>	<u>3,902,298</u>	<u>2,818,225</u>	<u>212,952</u>	<u>0</u>	<u>7,239,463</u>
Total General Fixed Assets	<u><u>\$1,809,695</u></u>	<u><u>\$5,005,068</u></u>	<u><u>\$5,485,665</u></u>	<u><u>\$3,761,545</u></u>	<u><u>\$63,129</u></u>	<u><u>\$16,125,102</u></u>

THE CITY OF FAIRBORN, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2000

Function and Activity	Restated December 31, 1999	Transfers	Additions	Deletions	December 31, 2000
<u>Security of Persons and Property:</u>					
Police	\$2,387,780	\$0	\$180,105	(\$3,000)	\$2,564,885
Fire	2,578,113	0	372,086	0	2,950,199
Total	4,965,893	0	552,191	(3,000)	5,515,084
<u>Public Health and Welfare Services:</u>					
Cemetery	78,371	0	0	0	78,371
<u>Leisure Time Activities:</u>					
Parks	1,064,096	0	110,477	0	1,174,573
Parks and Recreation	306,315	0	0	0	306,315
Total	1,370,411	0	110,477	0	1,480,888
<u>Community Environment:</u>					
Building Inspection	63,979	0	0	0	63,979
Community Development	137,104	0	8,425	0	145,529
Total	201,083	0	8,425	0	209,508
<u>Transportation:</u>					
Street	1,377,551	0	154,910	0	1,532,461
State Highway	67,737	0	1,590	0	69,327
Total	1,445,288	0	156,500	0	1,601,788
<u>General Government:</u>					
City Manager	58,678	0	1,155	0	59,833
Audio Visual	117,197	0	0	0	117,197
Council	43,275	0	0	0	43,275
Municipal Court	1,309,944	0	16,873	0	1,326,817
Finance	284,735	0	22,798	0	307,533
Personnel	9,021	0	1,995	0	11,016
Engineering/Draft	146,112	0	135,660	0	281,772
Plant Maintenance	4,758,339	1,300	28,721	(3,400)	4,784,960
Electronic Maintenance	82,554	0	5,189	0	87,743
Library	220,617	(1,300)	0	0	219,317
Total	7,030,472	0	212,391	(3,400)	7,239,463
Total General Fixed Assets	\$15,091,518	\$0	\$1,039,984	(\$6,400)	\$16,125,102



PART III
STATISTICAL SECTION



STATISTICAL TABLES

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

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

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	General Government	Capital Outlay	Debt Service	Total
1991	\$5,513,153	\$56,443	\$76,710	\$336,297	\$3,388,891	\$474,844	\$39,890	\$9,886,228
1992	5,671,732	55,618	113,537	345,406	3,553,045	192,738	38,656	9,970,732
1993	6,080,510	58,776	116,945	337,612	3,717,044	254,779	38,641	10,604,307
1994	6,179,444	65,195	123,014	370,689	4,174,180	505,880	11,940	11,430,342
1995	6,677,504	68,489	147,512	395,233	4,162,483	477,860	8,157	11,937,238
1996	7,116,947	71,153	155,852	387,947	4,261,869	212,708	1,264	12,207,740
1997	7,575,202	70,017	155,675	417,378	4,209,186	247,566	7,501	12,682,525
1998	7,697,492	73,050	176,781	437,740	4,454,711	462,750	2,146	13,304,670
1999	7,962,947	67,886	171,794	477,321	4,914,849	385,490	180	13,980,467
2000	8,415,019	72,023	174,572	522,914	5,255,363	603,793	0	15,043,684

SOURCE: Finance Office, City of Fairborn

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

Year	Property Taxes	Municipal Income Taxes	Inter-Governmental	Charges For Services	Licenses, Permits and Inspections	Investment Earnings	Fines and Forfeitures	All Other Revenues	Total
1991	\$1,705,846	\$3,878,381	\$1,548,312	\$1,368,293	\$50,563	\$380,875	\$805,050	\$74,704	\$9,812,024
1992	1,767,684	4,136,538	1,612,761	1,484,183	79,602	220,606	790,942	82,995	10,175,311
1993	1,771,742	4,237,353	1,692,691	1,772,211	102,368	166,376	857,660	113,784	10,714,185
1994	1,862,299	4,875,417	1,589,552	1,880,373	123,707	269,778	864,349	132,620	11,598,095
1995	1,947,597	5,016,181	1,693,485	1,876,208	197,761	396,923	1,099,363	163,166	12,390,684
1996	1,908,867	4,972,990	2,244,408	1,998,890	150,375	408,274	1,072,148	105,884	12,861,836
1997	2,130,308	4,953,189	2,735,826	1,939,160	287,460	510,156	1,091,511	211,986	13,859,596
1998	2,183,432	5,197,699	2,522,807	2,092,009	305,522	541,442	1,091,726	417,117	14,351,754
1999	2,173,588	5,532,125	2,526,711	2,550,169	321,738	457,760	1,187,002	190,684	14,939,777
2000	2,332,918	5,964,964	3,049,305	2,489,030	305,606	764,261	1,179,021	167,010	16,252,115

SOURCE: Finance Office, City of Fairborn

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

Collection Year	Total Tax Levy	Total Tax Collections (1)	Percent of		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy (1)
			Total Tax Collections To Tax Levy	Total Tax Collections To Tax Levy		
1991	\$2,036,099	\$1,938,807	95.2%	95.2%	\$37,398	1.8%
1992	2,006,532	1,947,464	97.1%	97.1%	41,878	2.1%
1993	2,018,887	1,951,995	96.7%	96.7%	33,909	1.7%
1994	2,045,036	2,002,226	97.9%	97.9%	49,848	2.4%
1995	2,132,923	2,036,927	95.5%	95.5%	66,044	3.1%
1996	2,073,854	1,937,412	93.4%	93.4%	116,916	5.6%
1997	2,219,353	2,144,459	96.6%	96.6%	75,700	3.4%
1998	2,232,743	1,965,008	88.0%	88.0%	76,862	3.4%
1999	2,267,425	1,906,485	84.1%	84.1%	104,351	4.6%
2000	2,644,251	2,443,725	92.4%	92.4%	154,434	5.8%

SOURCE: County Auditor; Green County, Ohio.

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

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

Year	Assessed Real	Assessed Public Utility Real	* Assessed Tangible Personal	Exemptions (1)	Total Assessed Value	Estimated True Value	Percentage of Assessed Value To Estimated True Value
1991	\$334,591,490	\$17,098,780	\$24,663,500	(\$74,464,520)	\$301,889,250	\$883,419,868	34.17%
1992	341,219,410	17,696,490	25,418,814	(78,858,970)	305,475,744	897,927,269	34.02%
1993	366,085,210	17,986,870	26,002,271	(81,960,910)	328,113,441	967,183,855	33.92%
1994	373,593,840	18,207,770	26,247,197	(85,794,370)	332,254,437	979,267,645	33.93%
1995	380,053,050	18,231,870	26,233,097	(85,922,180)	338,595,837	967,388,110	35.00%
1996	413,973,720	19,089,980	29,346,396	(84,655,070)	377,755,026	1,112,554,092	33.95%
1997	422,618,920	19,908,590	29,748,447	(88,125,310)	384,150,647	1,097,573,277	35.00%
1998	429,132,780	21,750,640	28,479,115	(89,344,780)	390,017,755	1,114,336,443	35.00%
1999	455,514,920	22,875,640	28,685,873	(91,143,620)	415,932,813	1,188,379,466	35.00%
2000	473,517,270	19,736,500	34,479,275	(95,739,760)	431,993,285	1,170,233,589	36.92%

SOURCE: County Auditor; Greene County, Ohio

* Includes Assessed Tangible Public Utility

(1) Exemptions include property utilized by the local and federal governments and nonprofit organizations.

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

Collection Year	City of Fairborn							Fairborn City Schools (2)	Greene County (2)	Joint Vocational School (2)	General Health District (2)
	General Fund	Bond Retirement Fund	Street Lighting Fund	Total City (1)							
1991	6.70	1.10	2.50	10.30	41.90	8.78	8.78	3.70	0.30		
1992	6.70	1.10	2.50	10.30	42.20	8.78	8.78	3.45	0.30		
1993	6.70	1.00	2.50	10.20	41.80	8.78	8.78	3.45	0.30		
1994	6.70	1.00	2.50	10.20	41.80	8.78	8.78	3.45	0.30		
1995	6.70	0.90	2.50	10.10	41.80	8.78	8.78	3.45	0.30		
1996	6.70	0.80	2.50	10.00	41.80	8.78	8.78	3.45	0.30		
1997	6.70	0.80	2.50	10.00	43.00	8.78	8.78	3.45	0.30		
1998	6.70	0.80	2.50	10.00	41.80	8.78	8.78	3.45	0.30		
1999	6.70	0.70	2.50	9.90	41.80	8.78	8.78	3.45	0.30		
2000	6.70	0.51	2.50	9.71	44.70	8.73	8.73	3.45	0.30		

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

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

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
1991	\$493,264	\$447,739	90.77%
1992	491,226	464,361	94.53%
1993	484,266	431,256	89.05%
1994	476,528	448,867	94.20%
1995	460,954	437,147	94.84%
1996	408,048	280,982	68.86%
1997	494,384	315,111	63.74%
1998	489,248	430,341	87.96%
1999	468,385	414,418	88.48%
2000	525,638	354,667	67.47%

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

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

THE CITY OF FAIRBORN, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2000

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$431,993,285	\$431,993,285
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	45,359,295	23,759,631
Applicable City Debt Outstanding (2)	2,138,000	0
Less: Applicable Debt Service Fund Amounts	(679,335)	(679,335)
Net Indebtedness Subject to Limitation	1,458,665	0
Legal Debt Margin	\$43,900,630	\$23,759,631

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

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

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

Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Debt Service Funds Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of	
							Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1991	a	\$301,889,250	\$9,015,000	\$63,373 (3)	\$6,355,000	\$2,596,627	0.86%	\$83
1992	a	305,475,724	8,610,000	67,829 (3)	6,100,000	2,442,171	0.80%	77.61
1993	a	328,113,441	8,195,000	310,589	5,835,000	2,049,411	0.62%	65.12
1994	a	332,254,437	7,770,000	477,297	5,565,000	1,727,703	0.52%	54.90
1995	a	338,585,837	7,335,000	572,139	5,285,000	1,477,861	0.44%	46.96
1996	a	377,755,026	6,885,000	515,802	4,995,000	1,374,198	0.36%	43.67
1997	a	384,150,647	6,415,000	501,844	4,690,000	1,223,156	0.32%	38.87
1998	a	390,017,755	6,505,000	655,099	4,370,000	1,479,901	0.38%	47.03
1999	a	415,932,813	6,400,000	600,376	4,040,000	1,759,624	0.42%	52.91
2000	b	431,993,285	5,833,000	679,335	3,695,000	1,458,665	0.34%	45.51

SOURCE: (1) a - Miami Valley Regional Planning Commission

b - U.S. Department of Commerce, Bureau of Census - 2000 Census.

(2) Excludes special assessment general obligation debt.

(3) Excludes debt service money available to pay special assessment general obligation debt.

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

<u>Year</u>	<u>Debt Principal and Interest</u>	<u>General Fund Expenditures</u>	<u>Ratio of Debt Principal and Interest to General Fund Expenditures</u>
1991	\$260,071	\$9,886,228	2.6%
1992	328,498	9,970,732	3.3%
1993	319,217	10,604,307	3.0%
1994	314,890	11,430,342	2.8%
1995	305,222	11,937,238	2.6%
1996	300,503	12,207,740	2.5%
1997	295,426	12,682,525	2.3%
1998	344,900	13,304,670	2.6%
1999	360,009	13,980,467	2.6%
2000	364,342	15,043,684	2.4%

SOURCE: Finance Office, City of Fairborn

CITY OF FAIRBORN, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2000

Jurisdiction	Net Debt Outstanding	Percentage Applicable to the City of Fairborn	Amount Applicable to the City of Fairborn
Direct:			
City of Fairborn	\$1,458,665	100.00%	\$1,458,665
Overlapping:			
Greene County	13,743,970	16.21%	<u>2,227,898</u>
		Total	<u><u>\$3,686,563</u></u>

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

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

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Greene County (3)</u>
1991 a	31,300	6,621	5.20 %
1992 a	31,469	6,546	5.60 %
1993 a	31,469	6,578	4.70 %
1994 a	31,469	6,361	4.10 %
1995 a	31,469	6,287	3.80 %
1996 a	31,469	6,251	3.80 %
1997 a	31,469	5,935	3.70 %
1998 a	31,469	5,640	3.30 %
1999 a	33,260	5,825	3.30 %
2000 b	32,054	5,765	3.20 %

SOURCE: (1) a - Miami Valley Regional Planning Commission
b - U.S. Department of Commerce, Bureau of Census - 2000 Census.
(2) Fairborn Board of Education
(3) Ohio Bureau of Employment Services

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

Year	Residential Construction (1)		Commercial Construction (1)	
	Number of Permits	Value	Number of Permits	Value
1991	26	\$2,303,466	6	\$942,000
1992	37	3,459,800	6	2,397,600
1993	64	69,514,258	6	4,843,661
1994	57	6,320,000	8	1,264,000
1995	50	9,914,410	9	7,330,803
1996	60	8,922,200	8	3,089,000
1997	134	20,279,810	10	1,536,986
1998	124	15,738,746	7	4,292,500
1999	112	19,325,451	14	8,491,620
2000	90	16,986,720	15	11,269,491

SOURCE: (1) City of Fairborn Building Department

**THE CITY OF FAIRBORN, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 2000**

<u>Taxpayer</u>	<u>2000 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Dayton Power and Light Company	\$14,587,860	3.38%
2. Wright Executive Center Partners	9,838,490	2.28%
3. Ohio Bell Telephone	6,013,770	1.39%
4. Roberds, Inc.	4,978,560	1.15%
5. Wright Executive Hotel	4,645,930	1.08%
6. MG-Mapleview LTD	4,105,940	0.95%
7. Highlands Apartments	3,958,060	0.92%
8. Shoppes At VG LTD	2,720,240	0.63%
9. Miami Publishing Company, Inc.	2,685,190	0.62%
10. Fairborn Wright Office Park	2,574,860	0.60%
Subtotal	56,108,900	13.00%
All Others	375,884,385	87.00%
Total	\$431,993,285	100.00%

Based on valuation of property taxes levied in 2000.
Source: County Auditor; Greene County, Ohio

CITY OF FAIRBORN, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2000

Year of Incorporation	1950	Area - square miles	13.40
Form of Government	Council-Manager	Miles of Streets	123.01
		Number of Street Lights	1,900
Number of Employees (excluding police and fire)		Sewers:	
Classified	70	Miles of Sanitary Sewers	127.46
Unclassified	58	Miles of Storm Sewers	100.51
Exempt	27	Number of Treatment Plants	1
		Number of Service Connections	11,900
Recreation and Culture:		Daily Average Treatment in Gallons	3,782,000
Number of Parks	16	Maximum Daily Capacity of Plant in Gallons	5,500,000
Park Acreage	351		
Bikeway	1	Water:	
Number of Tennis Courts	14	Miles of Water Mains	140.02
		Number of Service Connections	11,900
Fire Protection:		Number of Fire Hydrants	1,309
Number of Stations	3	Daily average consumption in gallons	3,923,000
Number of Fire Personnel and Officers	46	Maximum Daily Capacity of Plant in Gallons	9,600,000
Number of Calls Answered	6,303		
Number of Inspections Conducted	1,341	Education:	
		Number of Elementary Schools	6
Police Protection:		Number of Elementary School Instructors	203
Number of Stations	1	Number of Secondary Schools	2
Number of Policemen and Officers	41	Number of Secondary School Instructors	150
Number of Patrol Units	27	Number of Universities	1
Number of Citations Issued:			
Criminal Arrests	2,831		
Traffic	6,183		

SOURCE: Finance Office, City of Fairborn





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF FAIRBORN

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2001**