



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2016

CITY OF FAIRBORN, OHIO



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Fairborn, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 28, 2017

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CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



FAIRBORN
A CITY IN MOTION

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



FAIRBORN

A CITY IN MOTION

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
Table of Contents

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	15
Statement of Activities.....	16

Fund Financial Statements:

Balance Sheet – Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	22

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
--	----

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	
General Fund	26
Fire and EMS Fund	27
Police Fund.....	28
County Motor Vehicle Tax Fund	29

Statement of Fund Net Position – Proprietary Funds.....	30
---	----

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
--	----

Statement of Cash Flows – Proprietary Funds.....	33
--	----

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
Table of Contents
(continued)

Statement of Fiduciary Net Position – Agency Fund.....	35
Notes to the Basic Financial Statements	36
 Required Supplementary Information	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Three Years	95
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Three Years.....	96
Schedule of City Contributions – Ohio Public Employees Retirement System – Traditional Plan – Last Four Years	97
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	98
 Combining Financial Statements:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions	101
Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	107
Combining Balance Sheet – Nonmajor Special Revenue Funds	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	112
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	118
 Combining Financial Statements Proprietary Funds:	
Internal Service Fund Descriptions.....	120
Combining Statement of Fund Net Position – Internal Service Funds	121

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
Table of Contents
(continued)

Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	122
Combining Statement of Cash Flows – Internal Service Funds.....	123
Combining Financial Statements Fiduciary Funds:	
Agency Fund Descriptions.....	124
Statement of Changes in Assets and Liabilities – Agency Funds	125
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget and Actual (Non-GAAP Basis):	
Major Funds:	
General Fund.....	126
Fire and EMS Fund.....	129
Police Fund	130
County Motor Vehicle Tax Fund	132
Water Fund.....	134
Sewer Fund	135
Sanitation Fund	136
Nonmajor Funds:	
Street Maintenance and Repair Fund	137
State Highway Fund.....	138
Community Development Fund.....	139
Community Redevelopment Fund	140
Cemetery Fund.....	141
Neighborhood Stabilization Program Fund	142
Neighborhood Stabilization Program II Fund.....	143
Victim Witness Fund	144
Home Fund.....	145
Victims Assistance Justice Assistance Grant Fund.....	146
Law Enforcement Trust Fund	147
Drug Law Enforcement Fund	148
Indigent Drivers Alcohol Treatment Fund.....	149
Alcohol Enforcement and Education Fund.....	150
Federal Forfeitures Fund.....	151
Municipal Probation Services Fund.....	152
Traffic Intervention Fund.....	153
Court Legal Research/Computerization Fund.....	154
Court Clerk Computerization Fund.....	155
Indigent Driver’s Interlock and Alcohol Monitoring Fund.....	156
Moving Ohio Forward Fund	157
Public Safety Police/Fire Fund	158
Federal Emergency Management Agency Fund	159
Uninsured Loss Fund	160

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
Table of Contents
(continued)

General Bond Retirement Fund	161
Court Special Projects Fund.....	162
General Capital Improvement Fund.....	163
Parks and Recreation Improvements Fund	164
Public Safety Equipment/Facility Fund	165
Building and Land Fund	166
Tax Increment Financing Fund	167
Special Assessment Construction Fund	168
I-675 Corridor Tax Increment Financing Fund.....	169
Equipment Fund.....	170
Information Technology Fund	171
Employee Assistance Program Fund	172

STATISTICAL SECTION

Statistical Tables Descriptions	173
Net Position by Component – Last Ten Years – Schedule 1	174
Changes in Net Position – Last Ten Years – Schedule 2	176
Fund Balances – Governmental Funds – Last Ten Years – Schedule 3	180
Changes in Fund Balances – Governmental Funds – Last Ten Years – Schedule 4.....	182
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years – Schedule 5.....	184
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years – Schedule 6.....	186
Principal Property Tax Payers – 2016 and 2007 – Schedule 7	190
Property Tax Levies and Collections – Last Ten Years – Schedule 8	191
Income Tax by Payer Type and Income Tax Rate – Last Ten Years – Schedule 9.....	193
Ratios of Outstanding Debt by Type – Last Ten Years – Schedule 10.....	194
Ratio of General Obligation Bonded Debt to Estimated Actual Value And General Obligation Bonded Debt Per Capita – Last Ten Years – Schedule 11	196
Direct and Overlapping Governmental Activities Debt – December 31, 2016 – Schedule 12.....	197
Legal Debt Margin Information – Last Ten Years – Schedule 13	198
Pledged Revenue Coverage – Last Ten Years – Schedule 14.....	200
Demographic and Economic Statistics – Last Ten Years – Schedule 15.....	202
Principal Employers – 2016 and 2008 – Schedule 16.....	203
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years – Schedule 17.....	204
Operating Indicators by Function/Program – Last Ten Years – Schedule 18.....	206
Capital Assets Statistics by Function/Program – Last Ten Years – Schedule 19	208



**CITY OF FAIRBORN
FINANCE DEPARTMENT**

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June 14, 2017

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

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn (the “City”) for the year ended December 31, 2016. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

Introduction

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

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14/39, *"The Financial Reporting Entity"* in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

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

The City of Fairborn

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

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

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

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

Economic Condition and Outlook

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

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

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

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

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

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

Recognizing that Fairborn has a unique opportunity to capitalize on its location, economic make up, transportation network, buildable land, and various other factors, the City leadership recently took steps to enhance economic development activity within the community. First, the City officially established and funded a new economic development department with the sole purpose to assist the local business community and encourage new investment within the City. Second, the City revived its community improvement corporation, now doing business as the Fairborn Development Corporation (FDC). The FDC is a 501(c)(3) non-profit organization created to

advance, encourage, promote and pursue civic, economic, commercial and industrial development within the greater Fairborn area. The FDC serves as an important advisory board that allows community stakeholders and business leaders the opportunity to participate and contribute in a meaningful way to local economic development efforts.

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

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

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

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

Major Initiatives

For 2016

Public Safety Police and Fire - Voters approved at the November 2014 ballot a one-quarter of one percent (0.25%) income tax rate for ten years for police and fire equipment and operations. This was a renewal of the 0.25% income tax that for the previous ten years had been used for the acquisition of fire and EMS equipment and facility capital improvements that expired as of December 31, 2014. This levy generated approximately \$2.2 million dollars in 2016, the second year for the levy, and has been used for police and fire equipment and vehicles, as well as a portion of the police and fire personnel costs.

Streets - During the same election in 2014, residents also approved a renewal of the one-quarter of one percent income tax levy for resurfacing, reconstructing and repairing the City's thoroughfares and residential streets. The renewal of this levy was important as it provides predictable funding that allows the City to continue its efforts to upgrade and maintain City streets for a ten-year period. This levy also generated approximately \$2.2 million in 2016.

Construction of the Downtown Streetscape Phase 3 project was completed in 2016. It consisted of realigning Main Street at Dayton Drive, adding decorative landscaping, replacing all curbs, adding decorative brick sidewalk, asphalt milling and resurfacing, and storm sewer improvements. The project was partially funded by a \$300,000 grant from the Miami Valley Regional Planning Commission.

Also completed in 2016 was the waterline replacement and full depth pavement reconstruction of Ohio Street from Second Street to Central Avenue, and Wright Avenue from the south dead end to Dayton Drive. This project replaced all of the existing pavement and curb, replaced some storm sewers, replaced the traffic signal at Ohio and Central, and narrowed Wright Avenue from 40 feet wide to 30 feet. The majority of the project was funded through a grant and a loan from the Ohio Public Works Commission totaling \$900,000.

The Maple Avenue Bridge over Norfolk Southern Railroad had steel bearings repaired in 2016. The faulty bearings were discovered during an annual bridge inspection performed by the Ohio Department of Transportation (ODOT). The \$140,000 maintenance project will prevent the bridge structure from prematurely failing.

The 2016 Street Program included a variety of treatments that covered 40 street segments. The treatment types included asphalt milling and resurfacing, concrete base repairs and resurfacing, Cold-In-Place Recycling (CIR), asphalt surface sealing, micro surfacing, and placement of asphalt rejuvenation liquid. Of these segments, six were thoroughfare street sections. The work covered approximately 9.9 centerline miles of streets, of which 3.2 miles were paved the year before and received a rejuvenation treatment to help extend the asphalt's useful life. This diversification of street treatments stretches paving funds while extending pavement life.

The 2017 curb-sidewalk-approach (CSA) program was awarded and construction was mostly completed in 2016. This program replaces deteriorated concrete infrastructure between the street and right-of-way line and is performed annually prior to the street improvement program. It is built with the Americans with Disabilities Act (ADA) curb ramp program, which constructs or reconstructs ramps to ADA standards. Work was completed in early 2017.

Water and Sewer - As with most cities of similar age, the City of Fairborn is beginning to see condition concerns as the water and sewer infrastructure nears the end of its useful life. Since much of this infrastructure is buried underground in the form of water and sewer mains, problems may not be found until there is a catastrophic failure. In an effort to reduce the potential for these failures, the Division of Water and Sewer continues to undertake projects to replace or renew this infrastructure. In 2016, this included the replacement of the water main on Ramona Drive, as well as, the lining of approximately one mile of sanitary sewer main where televising showed it necessary.

In a major effort to provide redundancy to the City's water system, a parallel raw water line was constructed between the well field on Medway Road and the water treatment facility. This project addressed the vulnerability of a single feed point to convey the water. It also provides additional capacity to insure we meet our anticipated future needs.

In an effort to prolong the life of the water tower, the City contracted with UCL Incorporated to paint the Southwest Tank. The renovation featured the new City logo which can be seen from Interstate I-675 near the southern gateway as well as safety improvements.

Parks - Several projects were completed in the Fairborn park system in 2016, including the installation of an electronic information sign in partnership with Fairborn Schools and located adjacent to Community Park, a new sidewalk in Fairfield Park leading from Broad Street to Pierce Drive parallel to the new park entrance road completed in 2015, and improvements to the basketball courts located at Osborn Park, Community Park and Fairfield Park.

The City's 21st park, Garland Wetland Reserve, was donated by BW Greenway to the City. The City's park system also received the Strautman land located adjacent to Oakes Quarry Park on SR235 at the I-675 interchange. This donation will preserve this land for the family and is referred to as "Strautman Landing." The park system is now up to 789.62 acres – an increase of nearly 70 acres since 2012.

Plant Maintenance – In 2016, a new roof for the Municipal Court was completed and included the replacement of all gutters and down spouts. The conversion to LED lighting for the exterior of the Fairborn Library was completed by library funding instead of City funds, so allocated City funding was utilized for replacing all of the ceiling tiles within the structure providing a clean fresh interior. The Government Center IT server room received a new HVAC interior unit to keep a constant temperature for the equipment. The City was also able to acquire the Centerplex property on Kauffman Avenue – potentially the site of a new Public Works Facility.

For the Future

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

Streets - The Engineering division continues to oversee the paving program for the 465 public streets in Fairborn. The vision for the future is to diversify the road treatments to most efficiently treat City streets to result in the lowest life cycle cost for the roadway system. The 2017 Street Program will continue the use of an innovative pavement recycling method called Cold In-Place Recycling (CIR). This method has been used on Spangler Road in 2015 and 2016 with excellent results. It repairs the asphalt deeper and at a lower cost than a traditional mill and resurfacing, and reuses most of the existing asphalt.

The Dayton Drive Widening project has received a \$504,572 ODOT Surface Transportation Program (STP) grant to widen and make improvements from Xenia Drive to Maple Avenue. Ohio Public Works Commission grant funds in the amount of \$400,000 have also been awarded to the project which is on schedule for construction in the summer of 2017.

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

Federal grant funding received through MVRPC has been awarded to Fairborn for nine other major road projects including Central Avenue resurfacing, Kauffman Avenue widening, Colonel Glenn/Kauffman intersection improvements, Broad Street improvements, Maple Avenue Phase 1 improvements, Maple Avenue Phase 2 improvements, Colonel Glenn pedestrian improvements, Colonel Glenn enhancement project, and Yellow Springs-Fairfield road improvements. These grant funds total nearly \$7,900,000 for these projects that are scheduled for construction between 2018 and 2022.

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

In 2017, the City will continue efforts to renew water and sewer infrastructure. This includes more lining of sewer mains that have known issues or are difficult to access. Construction of renovations to the Southeast Lift Station is currently underway. As with the Northwest Lift Station, the work will be conducted within the existing station footprint in an effort to maximize capacity while minimizing capital expenses.

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

The Sewer Master Plan recommended improvements to the Water Reclamation Center's solids dewatering, conveyance, and storage building. The City is currently contracting for the design of the necessary improvements to the existing system which should be completed in 2017 with construction set to begin in the first quarter of 2018. These improvements will improve efficiency, increase processing ability and provide a dryer byproduct which will reduce disposal costs.

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

A "Story-book Trail" is scheduled to be added in the Valle View Reserve in 2017 through a joint effort with the Fairborn Library Foundation. The trail is a special type of active park play within a passive wetland and the Fairborn Library staff will be providing assistance in creating the story.

Plant Maintenance – Future enhancements to City structures include new garage/pedestrian doors, gutters, roof repairs, and interior updates for the Fairfield Cemetery office and garage building; new gutters, windows and the brick resealed at the Government Center, as well as the replacement of carpet in the Tax/Utilities office and LED replacement lights throughout. Finally, the roof is scheduled to be replaced at the City Garage housing our Fleet Maintenance Division.

Economic Development - As a way to be more proactive in business development and less dependent on the uncertainty of attracting businesses in a heavily competitive region, the City has placed a strong emphasis on retention and expansion of existing businesses. Given the presence of technology-based companies and other service-oriented businesses that service Wright Patterson Air Force Base, the City has a strong ecosystem of innovation that it wants to foster and grow. The Fairborn Development Corporation (FDC), along with Wright State University and Greene County established a co-share/incubator space to promote entrepreneurship and innovation. This co-share space offers an environment of collaboration and cooperation that will help someone start a business, as well as offers education and training on how to grow and maintain that business.

Also in 2016, the FDC purchased a vacant restaurant building along the historic Main Street for the purpose of creating a food-manufacturing incubator. This space will allow someone with a food based business a location where they can create, market, package, and distribute their product to the regional market. At capacity, this space will be home to 25 to 30 small businesses that will hopefully grow into their own locations in Fairborn and continue to expand.

In 2016, the City of Fairborn City Council agreed to provide a small business loan to Tangible Solutions, a small additive manufacturing business with 3 employees, to entice them to move to Fairborn. Within three years, Tangible Solutions will grow to 70 employees and occupy over 30,000 square feet of industrial space in what was a vacant manufacturing operation.

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

In addition to revitalization the City is working on building substantial infrastructure projects that will spur economic activity for years to come. One project moving forward in 2016 is the creation of a new industrial park which will provide in excess of 500 acres of land for future industrial development.

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

Business outreach activity will build upon last year's effort which resulted in 227 total projects worked and over 1,200 jobs created or retained within the community. Specifically, the economic development team is focused on the areas of business development, marketing, real estate (re)development, and internal policies as they relate to overall economic development strategy.

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

Financial Information

Basis of Accounting

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

Internal Control Structure

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

Budgetary Control

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

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

Management's Discussion and Analysis (MD&A)

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

Independent Audit

Ohio law and the City charter require an annual audit of the City's financial statements by an independent auditor. Plattenburg and Associates performed the audit for the year ended December 31, 2016, and included in this report is their unmodified opinion rendered on the City's basic financial statements. The annual audit also provides an opportunity for an independent review of the City's financial policies and procedures and the comments and recommendations generated continually strengthen the City's accounting and budgeting controls. The results of the audit are presented in the independent Auditor's report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairborn for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the twenty-seventh consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for one year. We believe our current report for the fiscal year ended December 31, 2016 continues to conform to program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate of achievement.

Acknowledgements

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

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

Respectfully submitted,



Randall J. Groves, CPFO, CGFM
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Fairborn
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Fairborn, Ohio

Principal Officials

December 31, 2016

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Dan Kirkpatrick, Mayor

Paul Keller, Deputy Mayor

Rob Hoffman, Council Member

Terry Burkert, Council Member

Marilyn McCauley, Council Member

Tim Steininger, Council Member

Donna Wilson, Council Member

CITY MANAGER

Rob Anderson

CITY SOLICITOR

Michael Mayer

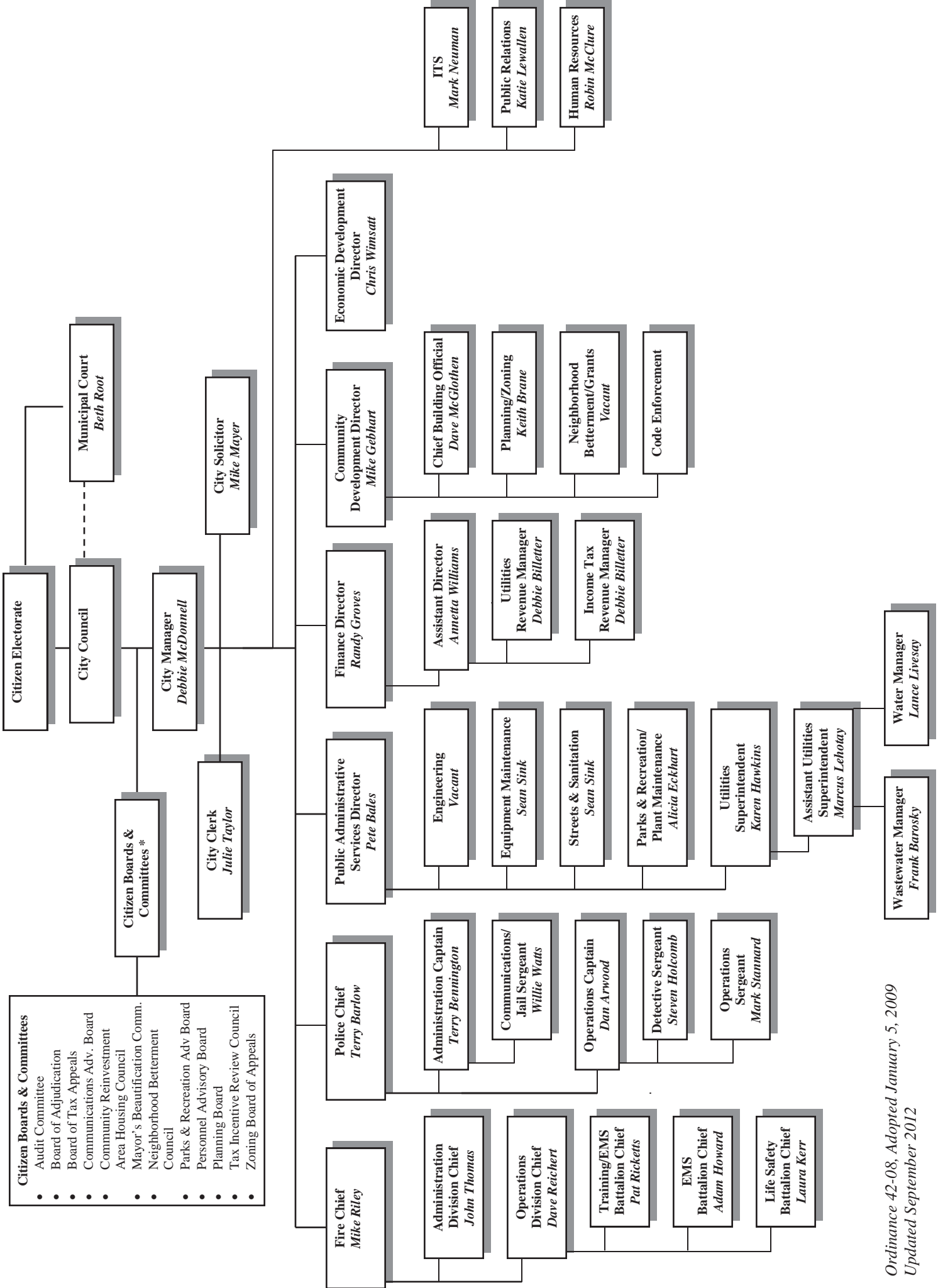
FINANCE DIRECTOR

Randall J. Groves

ASSISTANT FINANCE DIRECTOR

Annetta L. Williams

City of Fairborn Organizational Chart



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

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



FAIRBORN

A CITY IN MOTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council and City Manager
City of Fairborn

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Fire & EMS Fund, Police Fund and County Motor Vehicle Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 14, 2017

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis is an introspective look at the finances of the City of Fairborn for the year ending December 31, 2016, providing an overview of the City's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, notes to the basic financial statements, combining financial statements and individual fund schedules to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- In accordance with the requirements of GASB 68, the City was required to report a net pension liability, which at December 31, 2016 increased to \$34.7 million. For reasons discussed below in The City as a Whole and detailed in Note 12, reporting the net pension liability distorts the financial statements causing a significant reduction to net position of governmental activities and business-type activities.
- Governmental activities net position decreased by \$945,667 and now makes up 70% of the City's total net position. The net position of business-type activities increased \$1.26 million.
- Due to the effects of GASB 68 and the reporting of the net pension liability, unrestricted governmental activities net position is now reported as a negative number. Unrestricted net position of governmental activities decreased 25% in 2016 to negative \$9.7 million.
- Net Investment in Capital Assets for business-type activities increased 12% to \$11.7 million.
- The net position of the City's enterprise funds increased \$1.26 million to \$27.1 million at year-end.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities. These government-wide financial statements provide information that will help the reader to determine if the City of Fairborn is financially better or worse as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes to that position. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds is presented in the fund financial statements that begin on page 18. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and some by bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General, Fire and EMS, Police, County Motor Vehicle Tax, Water, Sewer, and Sanitation funds.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Governmental Funds

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

Enterprise Funds

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

Fiduciary Funds

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Over time, net position can serve as a useful indicator of a government's financial position. Table 1 provides a summary of the City's net position for 2016 compared to 2015.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

	Table 1 Net Position						
	Governmental Activities		Business-type Activities		Total		Change
	2016	2015	2016	2015	2016	2015	
Assets							
Current Assets	\$36,162,128	\$32,477,150	\$19,660,583	\$20,452,110	\$55,822,711	\$52,929,260	\$2,893,451
Capital Assets, Net	68,015,453	66,295,946	31,418,143	25,523,355	99,433,596	91,819,301	7,614,295
Total Assets	104,177,581	98,773,096	51,078,726	45,975,465	155,256,307	144,748,561	10,507,746
Deferred Outflow of Resources							
Deferred Charges on Refunding Pension	0	0	133,745	151,880	133,745	151,880	(18,135)
	8,574,462	3,438,029	930,339	310,138	9,504,801	3,748,167	5,756,634
Total Deferred Outflow of Resources	8,574,462	3,438,029	1,064,084	462,018	9,638,546	3,900,047	5,738,499
Liabilities							
Current and other liabilities	5,653,185	2,379,420	2,076,977	1,518,621	7,730,162	3,898,041	3,832,121
Long-Term Liabilities							
Net Pension Liability	32,308,228	25,076,249	2,411,490	1,754,748	34,719,718	26,830,997	7,888,721
Other Amounts	4,668,773	3,919,472	20,479,537	17,316,154	25,148,310	21,235,626	3,912,684
Total Liabilities	42,630,186	31,375,141	24,968,004	20,589,523	67,598,190	51,964,664	15,633,526
Deferred Inflow of Resources							
Property Tax	4,913,842	4,816,064	0	0	4,913,842	4,816,064	97,778
Revenue In Lieu Of Taxes	406,810	402,867	0	0	406,810	402,867	3,943
Pension	227,439	97,620	96,464	30,827	323,903	128,447	195,456
Total Deferred Inflows of Resources	5,548,091	5,316,551	96,464	30,827	5,644,555	5,347,378	297,177
Net Position							
Net Investment in Capital Assets	62,009,840	62,817,281	11,706,766	10,497,587	73,716,606	73,314,868	401,738
Restricted	12,289,605	10,484,017	0	0	12,289,605	10,484,017	1,805,588
Unrestricted (Deficit)	(9,725,679)	(7,781,865)	15,371,576	15,319,546	5,645,897	7,537,681	(1,891,784)
Total Net Position	\$64,573,766	\$65,519,433	\$27,078,342	\$25,817,133	\$91,652,108	\$91,336,566	\$315,542

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

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

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

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

Governmental activities net position makes up 70 percent of the City's total net position. The unrestricted net position of governmental activities decreased in 2016 by \$1,943,814 while the unrestricted net position of business-type activities increased by \$52,030. The total net position of the City as a whole increased by one-third of a percent to \$91.7 million.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2016 compared to 2015.

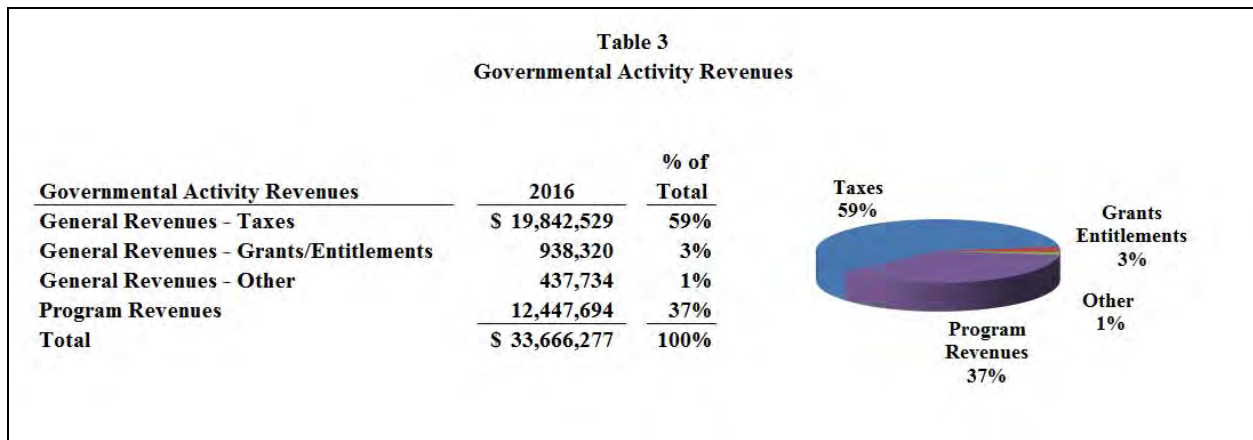
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	\$8,008,878	\$7,338,648	\$13,528,374	\$13,509,919	\$21,537,252	\$20,848,567
Operating Grants and Contributions	3,559,966	3,299,247	0	0	3,559,966	3,299,247
Capital Grants and Contributions	878,850	1,430,177	95,440	130,110	974,290	1,560,287
Total Program Revenues	12,447,694	12,068,072	13,623,814	13,640,029	26,071,508	25,708,101
General Revenues:						
Property Taxes	5,151,974	4,873,195	0	0	5,151,974	4,873,195
Other Local Taxes	841,911	847,768	0	0	841,911	847,768
Revenue in Lieu of Taxes	411,210	428,715	0	0	411,210	428,715
Income Taxes	13,437,434	12,345,782	0	0	13,437,434	12,345,782
Grants and Entitlements not Restricted to Specific Programs	938,320	1,765,047	0	0	0	0
Investment Earnings	(41,272)	191,381	75,056	52,369	33,784	243,750
Other	479,006	412,129	144,623	137,812	623,629	549,941
Total General Revenues	21,218,583	20,864,017	219,679	190,181	21,438,262	21,054,198
Total Revenues	33,666,277	32,932,089	13,843,493	13,830,210	47,509,770	46,762,299
Program Expenses:						
General Government	10,756,212	10,198,666	0	0	10,756,212	10,198,666
Public Safety	17,290,189	14,786,740	0	0	17,290,189	14,786,740
Leisure Time Activities	461,178	450,208	0	0	461,178	450,208
Community Development	1,959,838	2,259,182	0	0	1,959,838	2,259,182
Transportation and Street Repair	3,088,426	3,338,726	0	0	3,088,426	3,338,726
Public Health and Welfare	122,870	117,755	0	0	122,870	117,755
Interest and Fiscal Charges	247,647	210,577	0	0	247,647	210,577
Water	0	0	3,945,132	3,997,386	3,945,132	3,997,386
Sewer	0	0	6,492,400	5,547,509	6,492,400	5,547,509
Sanitation	0	0	2,830,336	2,591,785	2,830,336	2,591,785
Total Expenses	33,926,360	31,361,854	13,267,868	12,136,680	47,194,228	43,498,534
Change in Net Position before Transfers	(260,083)	1,570,235	575,625	1,693,530	315,542	3,263,765
Transfers	(685,584)	0	685,584	0	0	0
Change in Net Position	(945,667)	1,570,235	1,261,209	1,693,530	315,542	3,263,765
Net Position January 1	65,519,433	63,949,198	25,817,133	24,123,603	91,336,566	88,072,801
Net Position December 31	\$64,573,766	\$65,519,433	\$27,078,342	\$25,817,133	\$91,652,108	\$91,336,566

Governmental Activities

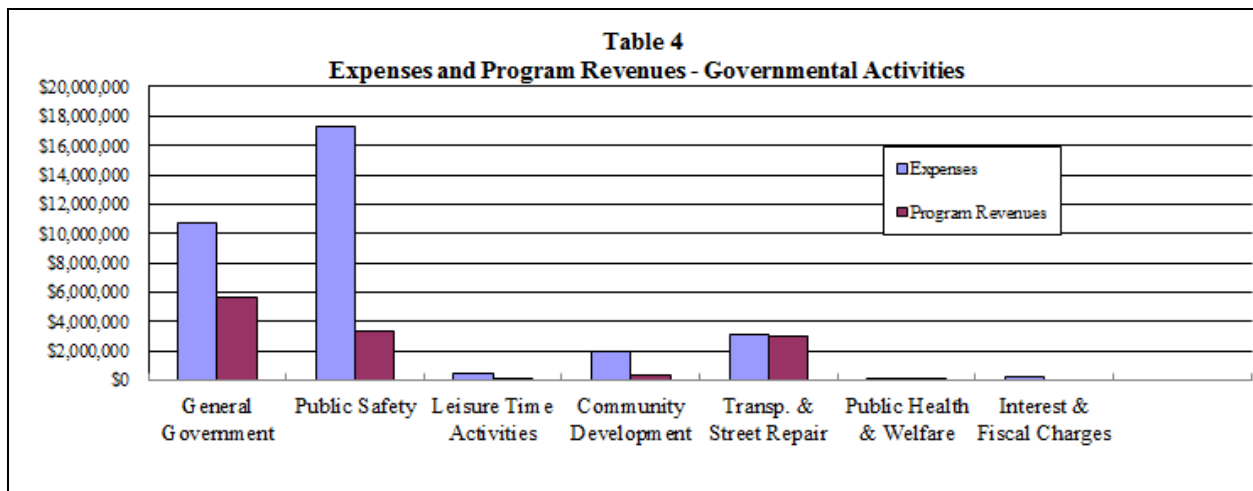
The City's governmental activity expenses are funded partially through program revenues consisting of charges for services and operating and capital grants and contributions. Program revenues increased three percent in 2016 from an increase in charges for services and operating grants and contributions, despite a \$0.6 million (39 percent) drop in capital grants. Program revenues still make up only 37 percent of total governmental activity revenues in 2016, and thus the City relied heavily on general revenues to fund program expenses.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

General revenues fund the vast majority of governmental activities and consist mainly of property and income taxes. Total general revenues increased by two percent in 2016, driven mainly by a \$1.1 million (nine percent) increase in income taxes. The City's reliance upon tax revenues from property owners, residents, and non-residents working in the City is demonstrated in Table 3, which shows that tax revenues account for approximately 59 percent of total governmental activity revenues. The City's income tax is 1.5 percent of all salaries, wages, commissions and other compensation, and net profits earned from residents living within the City, as well as salaries and wages earned by non-residents that work within the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.



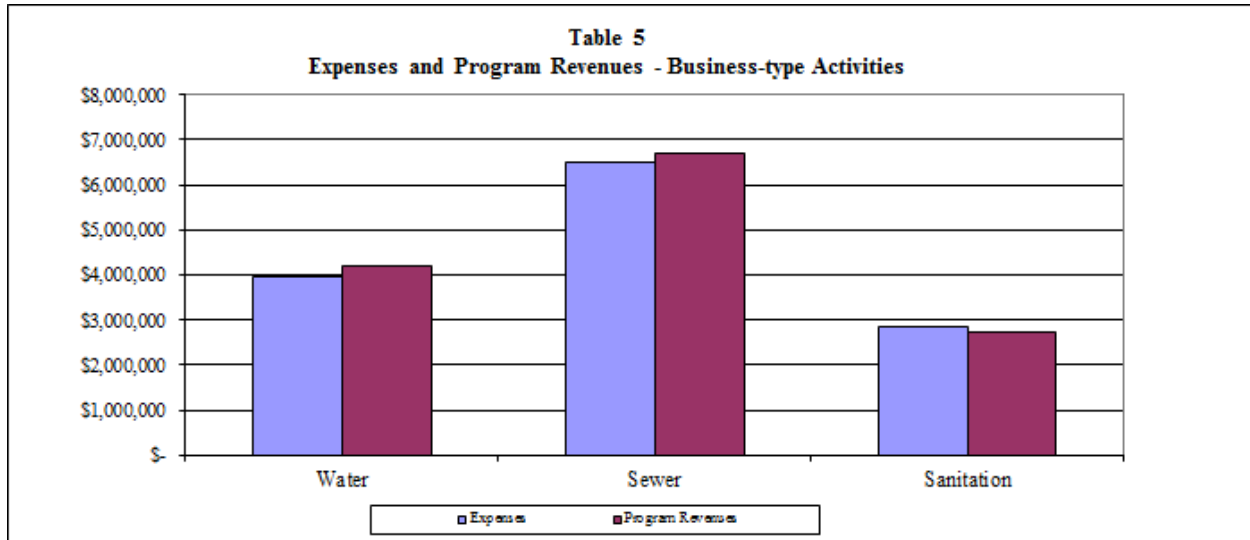
Governmental activity expenses increased eight percent in 2016 and exceeded program revenues by \$21.5 million. Even with an infusion of a total of \$21.2 million of general revenues, the City realized a \$945,667 decrease in the net position of governmental activities to \$64.6 million at December 31, 2016. Table 4 demonstrates graphically the disparity between governmental activities expenses and the program revenues that are generated to support these services.



City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Business-type Activities

Revenue and transfers-in of the business-type activities exceeded expenses by \$1.3 million and net position rose five percent to \$27.1 million. Net position of the City's Water and Sewer Funds constitute 96 percent of the business-type activities net position, with the Sanitation Fund making up the remainder. Business-type activities receive no support from tax revenues. Table 5 summarizes 2016 expenses and program revenues for business-type activities.



THE CITY'S FUNDS

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

The City has four major governmental funds including the General, Fire and EMS, Police and County Motor Vehicle Tax funds, which combine for 80 percent of all governmental fund balances and 70 percent of the governmental funds' total assets of \$35.5 million.

General Fund: General Fund revenues in 2016 were \$731,367 higher than the previous year mostly due to an increase in income tax revenue. However, General Fund expenditures and transfers were three percent greater than the previous year as the City provided a 2.5 percent cost of living increase across the board and health insurance premiums increased just under two percent in 2016. As a result, expenditures and other uses exceeded revenues and other sources by \$56,768 and the General Fund balance decreased slightly to \$10.4 million.

Fire and EMS Fund: Fire and emergency medical service (EMS) operations are accounted for in the Fire and EMS Fund. Property taxes and EMS billings are the most significant sources of revenue for this fund, which also relies on transfers from the General Fund that are made monthly in amounts as needed with the intent that this fund maintain a minimum cash balance.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Total property tax collections in the Fire and EMS Fund were \$2.2 million in 2016, the fifth and last year of tax collections from the 4.4 mill fire and EMS levy approved by voters in November 2011. Voters approved in March of 2016 the renewal of this tax levy for another 5-year period beginning in 2017. The renewal of this levy contributes greatly to lessening the burden on the General Fund to subsidize fire and EMS operations with transfers and thus is critical to maintain the current level of services to city residents and businesses. Charges for services of \$1.9 million in this fund are generated for the most part by the City's policy to bill non-resident patients that have received EMS treatment and/or transport services from the fire department.

Expenditures in 2016 were nearly four percent greater than the previous year due to the increases to wages and health insurance expenditures as mentioned above. Accrued expenditures exceeded accrued revenues at year-end decreasing the December 31, 2016 fund balance to \$446,932.

Police Fund: Police operations are accounted for in the Police Fund, which also benefits from a five-year 4.4 mill property tax levy approved in November 2011, which raised \$2.2 million in 2016, the last year of its collections. In addition to the property tax revenues, the General Fund subsidizes a large portion of police operation with monthly transfers in amounts as needed with the intent that a minimum cash balance is maintained. Transfers from the General fund in 2016 totaled \$4.3 million.

Voters also approved in March of 2016 the renewal of this tax levy for another 5-year collection period beginning in 2017. The renewal of this levy also contributes greatly to lessening the burden on the General Fund to subsidize police operations with transfers and thus is critical to maintain the current level of services to City residents and businesses.

Expenditures in 2016 were nearly three percent greater than the previous year due to the increases to wages and health insurance expenditures as mentioned above. Accrued revenues exceeded accrued expenditures at year-end increasing the December 31, 2016 fund balance to \$628,373.

County Motor Vehicle Tax Fund: City residents approved in November of 2014 a renewal of the ten-year 0.25 percent income tax levy for funding street maintenance, repair, and resurfacing for the years 2015 through 2024. The County Motor Vehicle Tax Fund accounts for the income tax levy revenues, which were \$2.1 million in 2016, as well as the permissive motor vehicle license taxes, which were \$0.9 million. Accrued revenues exceeded accrued expenditures and the fund balance rose seventeen percent to \$2.7 million. Major projects funded in 2016 included phase III of the Dayton-Yellow Springs Road improvements, the Broad Street signal interconnect project, and a continuation of the street resurfacing program.

General Fund Budgetary Highlights

The City's budget is required by Ohio law and is prepared on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The General Fund expenditures and other uses were originally budgeted in 2016 to exceed revenues and other sources by \$1.2 million. However, the final budget for revenues was 1.6 percent greater than the original budget as a mid-year analysis of income tax collections projections

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

showed a 2.4 percent increase was expected. Additionally, the charges for services budget was increased as building permits for the year were exceeding original estimates. The final budget for expenditures was less than the original budget, although by less than one percent. As a result, the final budget's projected net change to the fund balance decreased to negative \$0.9 million.

General Fund actual revenues were 99 percent of the final budget as slight increases in income taxes and investment earnings over amounts in the final budget were exceeded by a shortfall in charges for services revenues from demolitions. General Fund actual expenditures and other uses were \$0.5 million less than the final budgeted amounts as personal service costs were lower than budgeted in municipal court, finance, engineering and parks departments and contractual service costs for the 2015 GAAP conversion, audit, and various other accounts were less than budgeted. As a result, the General Fund balance actually only decreased by \$0.6 million to \$9.2 million.

Transfers-out of \$7.6 million were used to subsidize various city operations including police, fire, cemetery, and victim assistance and also to provide funding for general capital outlay, maintenance, or debt associated with City building and land capital improvements including the City's portion of curb and sidewalk program and handicap ramps; storm sewer and catch basin repair; storm water master plan, bikeway connector design; and debt associated with the dispatch center improvements. Transfers to the Fire and EMS Fund (\$2.4 million) and the Police Fund (\$4.3 million) make up by far the vast majority of these transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Table 6						
Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$17,320,446	\$15,487,272	\$159,633	\$94,542	\$17,480,079	\$15,581,814
Construction in Progress	64,762	1,243,113	2,576,312	810,340	2,641,074	2,053,453
Buildings	11,722,333	12,083,386	16,083,611	16,675,229	27,805,944	28,758,615
Improvements Other Than Buildings	853,633	890,232	37,859	46,306	891,492	936,538
Machinery and Equipment	1,681,802	1,642,881	923,088	657,545	2,604,890	2,300,426
Vehicles	2,994,329	2,478,333	598,431	1,013,839	3,592,760	3,492,172
Infrastructure	33,378,148	32,470,729	11,039,209	6,225,554	44,417,357	38,696,283
Total	\$68,015,453	\$66,295,946	\$31,418,143	\$25,523,355	\$99,433,596	\$91,819,301

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Total capital assets used in governmental activities are three percent greater than the previous year as the value of additions to capital assets were essentially canceled by deletions and depreciation. Construction in progress was \$1.2 million less than the previous year as the value of the Fairborn bikeway connector, Fairfield Park Broad Street entrance, and Xenia Drive improvements projects that were moved to infrastructure were greater than the value of the Police building improvements, I-675/Dayton-Yellow Springs Road, and other street projects that were started in 2016 but not completed at year-end. The \$0.5 million increase in vehicles was due to the acquisition of twenty-six vehicles for governmental activities including two new medic units.

The net effect of all additions, deletions, and depreciation to capital assets used in business-type activities was a twenty-three percent increase. Construction in progress in business-type activities was \$1.8 million more than in 2015. Construction in progress additions consisted of the water meter project, water treatment plant roof, South East lift station upgrade, and water reclamation center roof projects. Infrastructure increased \$4.8 million as the Xenia Drive improvements, water treatment plant property purchase, Mad River crossing, Mad River raw water line and Northwest Force main and lift station projects were completed in 2016 and moved from construction in progress into infrastructure. The increase to machinery and equipment included the acquisition of a dump truck body and other miscellaneous equipment. See Note 10 in the notes to the basic financial statements for further details on the City's capital assets.

Debt Administration

Table 7 summarizes the 2016 and 2015 long-term debt activity of governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Long-term Notes	\$758,697	\$270,539	\$6,588,700	\$2,793,746	\$7,347,397	\$3,064,285
General Obligation Bonds	0	95,000	7,084,813	7,212,304	7,084,813	7,307,304
Tax Increment Financing Bonds	1,311,606	1,399,160	0	0	1,311,606	1,399,160
Refunding Bonds	0	0	6,440,491	6,875,214	6,440,491	6,875,214
Special Assessment Bonds	465,719	588,831	70,000	80,000	535,719	668,831
Loans	334,832	0	1,449	8,342	336,281	8,342
Landfill Closure and Postclosure	0	0	117,800	167,352	117,800	167,352
Capital Leases	40,212	65,825	950	1,555	41,162	67,380
Claims Payable	484,132	255,033	0	0	484,132	255,033
Compensated Absences Payable	1,273,575	1,245,084	175,334	177,641	1,448,909	1,422,725
Net Pension Liability						
OP&F	24,234,984	19,519,547	0	0	24,234,984	19,519,547
OPERS	8,073,244	5,556,702	2,411,490	1,754,748	10,484,734	7,311,450
Total Net Pension Liability	32,308,228	25,076,249	2,411,490	1,754,748	34,719,718	26,830,997
Totals	<u>\$36,977,001</u>	<u>\$28,995,721</u>	<u>\$22,891,027</u>	<u>\$19,070,902</u>	<u>\$59,868,028</u>	<u>\$48,066,623</u>

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

For the second year now, long-term obligations include the net pension liabilities per GASB 68. Governmental activity total debt increased by twenty-eight percent in 2016 due to increases in the net pension liability, the issuance of new long-term notes, a new OPWC loan, and an increase in claims payable. The net pension liability increase represents the City's proportionate share of the OPERS traditional plan's unfunded benefits. As indicated above in The City as a Whole, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

All other long-term obligations were reduced in 2016, except for compensated absences payable which increased by two percent. Outstanding business-type activity debt was twenty percent greater than the previous year due to an increase in the net pension liability and the issuance of water and sewer various purpose long-term notes.

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

City of Fairborn, Ohio
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$21,410,309	\$17,724,668	\$39,134,977
Property Taxes Receivable	5,126,980	0	5,126,980
Other Local Taxes Receivable	123,460	0	123,460
Municipal Income Taxes Receivable	5,050,703	0	5,050,703
Revenue in Lieu of Taxes Receivable	406,810	0	406,810
Accounts Receivable	893,345	1,283,653	2,176,998
Intergovernmental Receivable	1,506,327	0	1,506,327
Accrued Interest Receivable	68,514	0	68,514
Internal Balances	(339,668)	339,668	0
Special Assessments Receivable	465,914	70,000	535,914
Loans Receivable	500,000	0	500,000
Assets Held for Resale	667,984	0	667,984
Materials and Supplies Inventory	281,450	242,594	524,044
Nondepreciable Capital Assets	17,385,208	2,735,945	20,121,153
Depreciable Capital Assets, net	50,630,245	28,682,198	79,312,443
<i>Total Assets</i>	<u>104,177,581</u>	<u>51,078,726</u>	<u>155,256,307</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	133,745	133,745
Pension	8,574,462	930,339	9,504,801
<i>Total Deferred Outflows of Resources</i>	<u>8,574,462</u>	<u>1,064,084</u>	<u>9,638,546</u>
Liabilities:			
Accounts Payable	866,236	449,314	1,315,550
Contracts Payable	173,693	198,318	372,011
Retainage Payable	32,914	33,223	66,137
Accrued Wages Payable	269,071	36,214	305,285
Intergovernmental Payable	292,425	31,637	324,062
Refundable Deposits	0	247,290	247,290
Accrued Interest Payable	36,951	110,740	147,691
Notes Payable	3,981,895	970,241	4,952,136
Long-Term Liabilities:			
Due Within One Year	1,424,631	767,833	2,192,464
Due in More Than One Year:			
Net Pension Liability (See Note 12)	32,308,228	2,411,490	34,719,718
Other Amounts	3,244,142	19,711,704	22,955,846
<i>Total Liabilities</i>	<u>42,630,186</u>	<u>24,968,004</u>	<u>67,598,190</u>
Deferred Inflows of Resources:			
Property Taxes	4,913,842	0	4,913,842
Revenue in Lieu of Taxes	406,810	0	406,810
Pension	227,439	96,464	323,903
<i>Total Deferred Inflows of Resources</i>	<u>5,548,091</u>	<u>96,464</u>	<u>5,644,555</u>
Net Position:			
Net Investment in Capital Assets	62,009,840	11,706,766	73,716,606
Restricted for Debt Service	1,050,687	0	1,050,687
Restricted for Capital Outlay	440,878	0	440,878
Restricted for Public Safety	3,608,610	0	3,608,610
Restricted for Transportation and Street Repair	5,449,339	0	5,449,339
Restricted for Community Development	1,356,518	0	1,356,518
Restricted for General Government	383,573	0	383,573
Unrestricted (Deficit)	(9,725,679)	15,371,576	5,645,897
<i>Total Net Position</i>	<u>\$64,573,766</u>	<u>\$27,078,342</u>	<u>\$91,652,108</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$10,756,212	\$5,611,972	\$0	\$3,698
Public Safety	17,290,189	2,270,773	1,122,192	0
Leisure Time Activities	461,178	19,988	0	77,197
Community Development	1,959,838	38,629	246,784	0
Transportation and Street Repair	3,088,426	31,921	2,190,990	797,955
Public Health and Welfare	122,870	35,595	0	0
Interest and Fiscal Charges	247,647	0	0	0
<i>Total Governmental Activities</i>	<u>33,926,360</u>	<u>8,008,878</u>	<u>3,559,966</u>	<u>878,850</u>
Business-Type Activities:				
Water	3,945,132	4,136,284	0	52,330
Sewer	6,492,400	6,648,955	0	43,110
Sanitation	2,830,336	2,743,135	0	0
<i>Total Business-Type Activities</i>	<u>13,267,868</u>	<u>13,528,374</u>	<u>0</u>	<u>95,440</u>
Totals	<u>\$47,194,228</u>	<u>\$21,537,252</u>	<u>\$3,559,966</u>	<u>\$974,290</u>

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

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$5,140,542)	\$0	(\$5,140,542)
(13,897,224)	0	(13,897,224)
(363,993)	0	(363,993)
(1,674,425)	0	(1,674,425)
(67,560)	0	(67,560)
(87,275)	0	(87,275)
(247,647)	0	(247,647)
<u>(21,478,666)</u>	<u>0</u>	<u>(21,478,666)</u>
0	243,482	243,482
0	199,665	199,665
0	(87,201)	(87,201)
<u>0</u>	<u>355,946</u>	<u>355,946</u>
<u>(21,478,666)</u>	<u>355,946</u>	<u>(21,122,720)</u>
818,384	0	818,384
2,166,795	0	2,166,795
2,166,795	0	2,166,795
841,911	0	841,911
411,210	0	411,210
8,958,104	0	8,958,104
2,239,665	0	2,239,665
2,239,665	0	2,239,665
938,320	0	938,320
(41,272)	75,056	33,784
479,006	144,623	623,629
(685,584)	685,584	0
<u>20,532,999</u>	<u>905,263</u>	<u>21,438,262</u>
(945,667)	1,261,209	315,542
<u>65,519,433</u>	<u>25,817,133</u>	<u>91,336,566</u>
<u>\$64,573,766</u>	<u>\$27,078,342</u>	<u>\$91,652,108</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2016

	General Fund	Fire and EMS Fund	Police Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$9,672,147	\$452,728	\$806,489
Receivables:			
Property Taxes	819,260	2,153,860	2,153,860
Other Local Taxes	81,098	0	0
Municipal Income Taxes	3,366,863	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	204,000	0	0
Accounts	0	387,412	0
Special Assessments	0	0	0
Loans	0	0	0
Accrued Interest	68,514	0	0
Intergovernmental	521,368	133,410	145,030
Assets Held for Resale	4,469	0	0
Materials and Supplies Inventory	18,950	0	11,256
<i>Total Assets</i>	<u>\$14,756,669</u>	<u>\$3,127,410</u>	<u>\$3,116,635</u>
Liabilities:			
Accounts Payable	\$269,392	\$17,133	\$8,450
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	0	0	0
Accrued Wages Payable	76,678	73,474	77,811
Intergovernmental Payable	63,465	68,875	103,111
Accrued Interest Payable	7	0	0
Notes Payable	1,206	0	0
<i>Total Liabilities</i>	<u>410,748</u>	<u>159,482</u>	<u>189,372</u>
Deferred Inflows of Resources:			
Property Taxes	784,026	2,064,908	2,064,908
Revenue in Lieu of Taxes	0	0	0
Unavailable Revenue	3,140,596	456,088	233,982
<i>Total Deferred Inflows of Resources</i>	<u>3,924,622</u>	<u>2,520,996</u>	<u>2,298,890</u>
Fund Balances:			
Nonspendable	18,950	0	11,256
Restricted	0	446,932	617,117
Committed	0	0	0
Assigned	2,023,546	0	0
Unassigned (Deficit)	8,378,803	0	0
<i>Total Fund Balances</i>	<u>10,421,299</u>	<u>446,932</u>	<u>628,373</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$14,756,669</u>	<u>\$3,127,410</u>	<u>\$3,116,635</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,169,750	\$6,227,573	\$20,328,687
0	0	5,126,980
0	42,362	123,460
791,405	892,435	5,050,703
0	406,810	406,810
0	0	204,000
0	505,933	893,345
0	465,914	465,914
0	500,000	500,000
0	0	68,514
17,488	689,031	1,506,327
0	663,515	667,984
0	158,355	188,561
<u>\$3,978,643</u>	<u>\$10,551,928</u>	<u>\$35,531,285</u>
\$379,392	\$146,738	\$821,105
55,834	117,859	173,693
32,914	0	32,914
0	204,000	204,000
0	28,987	256,950
0	47,912	283,363
777	23,580	24,364
132,977	3,847,712	3,981,895
<u>601,894</u>	<u>4,416,788</u>	<u>5,778,284</u>
0	0	4,913,842
0	406,810	406,810
632,055	2,170,724	6,633,445
<u>632,055</u>	<u>2,577,534</u>	<u>11,954,097</u>
0	658,355	688,561
2,744,694	4,398,064	8,206,807
0	258,566	258,566
0	459,463	2,483,009
0	(2,216,842)	6,161,961
<u>2,744,694</u>	<u>3,557,606</u>	<u>17,798,904</u>
<u>\$3,978,643</u>	<u>\$10,551,928</u>	<u>\$35,531,285</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2016*

Total Governmental Fund Balances \$17,798,904

Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital Assets:	
Land	17,320,446
Construction in Progress	64,762
Buildings	19,817,171
Improvements Other Than Buildings	2,694,009
Machinery and Equipment	6,102,522
Vehicles	7,255,402
Infrastructure	78,605,160
Accumulated Depreciation	<u>(63,844,019)</u>
Total	68,015,453

Internal service funds are used by management to charge the costs of equipment repairs and maintenance, information technology services and payments of employee assistance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Net Position	300,171
Capital Assets	(205,402)
Deferred Outflows - Pension	(283,148)
Deferred Inflows - Pension	14,676
Net Pension Liability	733,932
Capital Lease Payable	10,451
Compensated Absences Payable	<u>53,385</u>
Total	624,065

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. (339,668)

Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:

Property Taxes	213,138
Municipal Income Taxes	4,094,603
Intergovernmental	1,089,331
Special Assessments	465,914
Accounts	739,659
Accrued Interest	<u>30,800</u>
Total	6,633,445

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:

Deferred Outflows - Pension	8,574,462
Net Pension Liability	(32,308,228)
Deferred Inflows - Pension	<u>(227,439)</u>
Total	(23,961,205)

In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due. (12,587)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Notes Payable	(757,515)
Income Tax Revenue Bonds	(1,280,000)
Special Assessment Bonds	(464,000)
Capital Leases Payable	(40,212)
OPWC Loans	(334,832)
Compensated Absences Payable	(1,273,575)
Premium on Debt Issued	<u>(34,507)</u>
Total	<u>(4,184,641)</u>

Net Position of Governmental Activities \$64,573,766

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Fire and EMS Fund	Police Fund
Revenues:			
Property Taxes	\$820,384	\$2,162,843	\$2,162,843
Other Local Taxes	688,397	0	0
Municipal Income Taxes	8,776,274	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses, and Permits	1,220,311	1,960	3,160
Charges for Services	3,459,202	1,859,016	64,167
Investment Earnings	(52,142)	0	0
Intergovernmental	1,084,499	282,173	455,713
Special Assessments	0	0	0
Contributions and Donations	0	0	0
Other	251,650	7,267	11,237
<i>Total Revenues</i>	<u>16,248,575</u>	<u>4,313,259</u>	<u>2,697,120</u>
Expenditures:			
Current:			
General Government	6,958,065	0	0
Public Safety	0	6,726,155	6,658,670
Leisure Time Activities	268,657	0	0
Community Development	1,464,726	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	0	0	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	12,680	6,265	0
Interest and Fiscal Charges	1,097	516	0
<i>Total Expenditures</i>	<u>8,705,225</u>	<u>6,732,936</u>	<u>6,658,670</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,543,350</u>	<u>(2,419,677)</u>	<u>(3,961,550)</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	3,560	0	0
Notes Issued	0	0	0
Proceeds of OPWC Loans	0	0	0
Proceeds from the Sale of Capital Assets	0	0	11,710
Premium on Debt Issued	0	0	0
Transfers-In	0	2,400,000	4,260,000
Transfers-Out	(7,603,678)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,600,118)</u>	<u>2,400,000</u>	<u>4,271,710</u>
<i>Net Change in Fund Balances</i>	(56,768)	(19,677)	310,160
<i>Fund Balances at Beginning of Year</i>	<u>10,478,067</u>	<u>466,609</u>	<u>318,213</u>
<i>Fund Balances at End of Year</i>	<u>\$10,421,299</u>	<u>\$446,932</u>	<u>\$628,373</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$5,146,070
0	153,514	841,911
2,062,003	2,326,003	13,164,280
0	411,210	411,210
31,921	486,709	1,744,061
0	246,057	5,628,442
28,509	49,889	26,256
903,614	1,725,297	4,451,296
0	187,020	187,020
0	15,565	15,565
24,012	184,840	479,006
<u>3,050,059</u>	<u>5,786,104</u>	<u>32,095,117</u>
0	372,575	7,330,640
0	1,422,083	14,806,908
0	0	268,657
0	418,513	1,883,239
1,762,800	1,186,565	2,949,365
0	118,751	118,751
2,139,771	2,597,422	4,737,193
0	235,465	235,465
0	658,000	676,945
3,961	243,899	249,473
<u>3,906,532</u>	<u>7,253,273</u>	<u>33,256,636</u>
<u>(856,473)</u>	<u>(1,467,169)</u>	<u>(1,161,519)</u>
0	81,440	85,000
0	757,515	757,515
334,832	0	334,832
0	0	11,710
0	4,726	4,726
912,949	1,008,678	8,581,627
0	(1,688,533)	(9,292,211)
<u>1,247,781</u>	<u>163,826</u>	<u>483,199</u>
391,308	(1,303,343)	(678,320)
<u>2,353,386</u>	<u>4,860,949</u>	<u>18,477,224</u>
<u>\$2,744,694</u>	<u>\$3,557,606</u>	<u>\$17,798,904</u>

City of Fairborn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016*

Net Change in Fund Balances - Total Governmental Funds (\$678,320)

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

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

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

Capital Outlay	4,767,459
Capital assets donated by developers	797,955
Depreciation	<u>(3,541,758)</u>

Excess of Capital Outlay and Capital Contributions over Depreciation Expense 2,023,656

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

Proceeds from the Sale of Capital Assets	(11,710)
Capital assets transferred to business-type activities	(45,258)
Loss on Disposal of Capital Assets	<u>(247,181)</u>

Total (304,149)

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

Notes Payable	270,000
General Obligation Bonds	95,000
Tax Increment Financing Revenue Bonds	85,000
Special Assessment Bonds	208,000
Capital Leases Payable	<u>25,613</u>

Total 683,613

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

Change in Net Position	(20,476)
Capital Assets	16,978
Compensated Absences	(22,133)
Capital Lease Payable	(6,668)
Contractually Required Contributions for Pension	(67,417)
Pension Expense	102,543
Interest and Fiscal Charges	549
Adjustment to business type activities	<u>(5,804)</u>

Total (2,428)

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

Property Taxes	5,904
Municipal Income Taxes	273,154
Investment Earnings	(32,019)
Charges for Services	572,355
Intergovernmental	69,670
Special Assessments	<u>(123,000)</u>

Total \$766,064

(continued)

City of Fairborn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016
(Continued)*

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.		
Special Assessment Bonds	(\$85,000)	
OPWC Loan	(334,832)	
Notes	(757,515)	
Premium on Debt	<u>(4,726)</u>	
Total		(1,182,073)
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		2,213,626
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.		(4,438,991)
Amortization of bond premiums as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as expenses over the life of the debt in the Statement of Activities.		
Accrued Interest	(4,374)	
Amortization of Premium	6,749	
Interest and Fiscal Charges of Internal Service Funds	<u>(549)</u>	
Total		1,826
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Increase in Compensated Absences		<u>(28,491)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$945,667)</u></u>
See accompanying notes to the basic financial statements		

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$820,080	\$820,384	\$820,384	\$0
Other Local Taxes	693,738	693,738	701,710	7,972
Municipal Income Taxes	8,453,135	8,653,135	8,682,103	28,968
Fines, Licenses and Permits	1,236,414	1,236,414	1,233,128	(3,286)
Charges for Services	3,640,991	3,713,991	3,459,202	(254,789)
Investment Earnings	178,512	178,512	219,845	41,333
Intergovernmental	1,069,331	1,063,375	1,077,295	13,920
Other	184,318	184,318	230,457	46,139
<i>Total Revenues</i>	<u>16,276,519</u>	<u>16,543,867</u>	<u>16,424,124</u>	<u>(119,743)</u>
Expenditures:				
Current:				
General Government	7,865,538	7,554,508	7,280,522	273,986
Leisure Time Activities	310,132	298,866	282,914	15,952
Community Development	1,637,303	1,793,268	1,670,489	122,779
Capital Outlay	128,730	234,938	234,812	126
Debt Service:				
Interest and Fiscal Charges	0	10	4	6
<i>Total Expenditures</i>	<u>9,941,703</u>	<u>9,881,590</u>	<u>9,468,741</u>	<u>412,849</u>
<i>Excess of Revenues Over Expenditures</i>	<u>6,334,816</u>	<u>6,662,277</u>	<u>6,955,383</u>	<u>293,106</u>
Other Financing Sources (Uses):				
Special Assessment Bonds Issued	0	0	3,560	3,560
Notes Issued	0	0	1,200	1,200
Premium on Debt Issued	0	0	8	8
Advances-In	169,000	169,000	90,000	(79,000)
Advances-Out	(100,000)	(100,000)	(50,000)	50,000
Transfers-Out	(7,563,023)	(7,633,200)	(7,603,678)	29,522
<i>Total Other Financing Sources (Uses)</i>	<u>(7,494,023)</u>	<u>(7,564,200)</u>	<u>(7,558,910)</u>	<u>5,290</u>
<i>Net Change in Fund Balance</i>	(1,159,207)	(901,923)	(603,527)	298,396
<i>Fund Balance at Beginning of Year</i>	9,173,081	9,173,081	9,173,081	0
<i>Prior Year Encumbrances Appropriated</i>	<u>625,024</u>	<u>625,024</u>	<u>625,024</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$8,638,898</u>	<u>\$8,896,182</u>	<u>\$9,194,578</u>	<u>\$298,396</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,109,824	\$2,120,628	\$2,162,843	\$42,215
Fines, Licenses and Permits	1,200	1,200	1,960	760
Charges for Services	1,959,559	1,898,079	1,891,457	(6,622)
Intergovernmental	277,537	282,159	282,173	14
Other	0	6,000	7,267	1,267
<i>Total Revenues</i>	4,348,120	4,308,066	4,345,700	37,634
Expenditures:				
Current:				
Public Safety	6,943,835	7,096,675	6,966,539	130,136
<i>Excess of Revenues Under Expenditures</i>	(2,595,715)	(2,788,609)	(2,620,839)	167,770
Other Financing Sources:				
Transfers-In	2,400,000	2,400,000	2,400,000	0
<i>Net Change in Fund Balance</i>	(195,715)	(388,609)	(220,839)	167,770
<i>Fund Balance at Beginning of Year</i>	305,684	305,684	305,684	0
<i>Prior Year Encumbrances Appropriated</i>	189,381	189,381	189,381	0
<i>Fund Balance at End of Year</i>	<u>\$299,350</u>	<u>\$106,456</u>	<u>\$274,226</u>	<u>\$167,770</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$2,109,824	\$2,120,628	\$2,162,843	\$42,215
Fines, Licenses and Permits	1,200	1,718	3,160	1,442
Charges for Services	48,893	73,893	64,167	(9,726)
Intergovernmental	397,941	476,785	455,713	(21,072)
Other	6,193	5,675	11,237	5,562
<i>Total Revenues</i>	<u>2,564,051</u>	<u>2,678,699</u>	<u>2,697,120</u>	<u>18,421</u>
Expenditures:				
Current:				
Public Safety	<u>6,968,782</u>	<u>7,076,473</u>	<u>6,735,273</u>	<u>341,200</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,404,731)</u>	<u>(4,397,774)</u>	<u>(4,038,153)</u>	<u>359,621</u>
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	0	0	11,710	11,710
Transfers-In	<u>4,260,000</u>	<u>4,260,000</u>	<u>4,260,000</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>4,260,000</u>	<u>4,260,000</u>	<u>4,271,710</u>	<u>11,710</u>
<i>Net Change in Fund Balance</i>	<u>(144,731)</u>	<u>(137,774)</u>	<u>233,557</u>	<u>371,331</u>
<i>Fund Balance at Beginning of Year</i>	374,784	374,784	374,784	0
<i>Prior Year Encumbrances Appropriated</i>	<u>111,420</u>	<u>111,420</u>	<u>111,420</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$341,473</u>	<u>\$348,430</u>	<u>\$719,761</u>	<u>\$371,331</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal Income Taxes	\$1,976,325	\$2,035,325	\$2,038,460	\$3,135
Fines, Licenses and Permits	0	31,921	31,921	0
Investment Earnings	5,000	25,600	28,509	2,909
Intergovernmental	4,684,714	889,368	904,166	14,798
Other	22,569	22,569	24,012	1,443
<i>Total Revenues</i>	<u>6,688,608</u>	<u>3,004,783</u>	<u>3,027,068</u>	<u>22,285</u>
Expenditures:				
Current:				
Transportation and Street Repair	756,132	698,566	629,291	69,275
Capital Outlay	7,912,168	4,114,832	3,835,275	279,557
Debt Service:				
Interest and Fiscal Charges	0	793	433	360
<i>Total Expenditures</i>	<u>8,668,300</u>	<u>4,814,191</u>	<u>4,464,999</u>	<u>349,192</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,979,692)</u>	<u>(1,809,408)</u>	<u>(1,437,931)</u>	<u>371,477</u>
Other Financing Sources:				
Notes Issued	0	132,283	132,283	0
Proceeds of OPWC Loans	0	334,832	334,832	0
Premium on Debt Issued	0	900	925	25
<i>Total Other Financing Sources</i>	<u>0</u>	<u>468,015</u>	<u>468,040</u>	<u>25</u>
<i>Net Change in Fund Balance</i>	(1,979,692)	(1,341,393)	(969,891)	371,502
<i>Fund Balance at Beginning of Year</i>	1,709,838	1,709,838	1,709,838	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,478,134</u>	<u>1,478,134</u>	<u>1,478,134</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,208,280</u>	<u>\$1,846,579</u>	<u>\$2,218,081</u>	<u>\$371,502</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,979,405	\$11,580,235	\$917,738	\$17,477,378	\$1,081,622
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	82,430	82,430	82,430	247,290	0
Accounts Receivable	341,090	652,310	290,253	1,283,653	0
Special Assessments Receivable	0	70,000	0	70,000	0
Materials and Supplies Inventory	183,059	59,535	0	242,594	92,889
<i>Total Current Assets</i>	<u>5,585,984</u>	<u>12,444,510</u>	<u>1,290,421</u>	<u>19,320,915</u>	<u>1,174,511</u>
Non-current Assets					
Nondepreciable Capital Assets	901,021	1,834,924	0	2,735,945	0
Depreciable Capital Assets, Net	10,922,485	17,743,747	15,966	28,682,198	205,402
<i>Total Non-current Assets</i>	<u>11,823,506</u>	<u>19,578,671</u>	<u>15,966</u>	<u>31,418,143</u>	<u>205,402</u>
<i>Total Assets</i>	<u>17,409,490</u>	<u>32,023,181</u>	<u>1,306,387</u>	<u>50,739,058</u>	<u>1,379,913</u>
Deferred Outflows of Resources:					
Deferred Charge on Refunding Pension	52,160	81,585	0	133,745	0
	444,945	444,945	40,449	930,339	283,148
<i>Total Deferred Outflows of Resources</i>	<u>497,105</u>	<u>526,530</u>	<u>40,449</u>	<u>1,064,084</u>	<u>283,148</u>
Liabilities:					
Current Liabilities					
Accounts Payable	105,630	170,328	173,356	449,314	45,131
Contracts Payable	20,741	177,577	0	198,318	0
Retainage Payable	18,527	14,696	0	33,223	0
Claims Payable	0	0	0	0	164,084
Accrued Wages Payable	17,503	16,761	1,950	36,214	12,121
Intergovernmental Payable	12,705	17,497	1,435	31,637	9,062
Notes Payable	698,857	271,384	0	970,241	0
Accrued Interest Payable	43,227	67,513	0	110,740	0
General Obligation Bonds Payable	237,150	327,850	0	565,000	0
Landfill Postclosure Costs Payable	0	0	58,900	58,900	0
Capital Lease Payable	626	0	0	626	6,907
Special Assessment Bonds Payable	0	10,000	0	10,000	0
OPWC Loans Payable	1,449	0	0	1,449	0
Compensated Absences Payable	43,852	80,053	7,953	131,858	42,400
<i>Total Current Liabilities</i>	<u>\$1,200,267</u>	<u>\$1,153,659</u>	<u>\$243,594</u>	<u>\$2,597,520</u>	<u>\$279,705</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016
(Continued)

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Long-Term Liabilities					
Refundable Deposits	\$82,430	\$82,430	\$82,430	\$247,290	\$0
Notes Payable	2,857,325	3,731,375	0	6,588,700	0
General Obligation Bonds Payable	3,549,298	9,411,006	0	12,960,304	0
Special Assessment Bonds Payable	0	60,000	0	60,000	0
Claims Payable	0	0	0	0	320,048
Landfill Postclosure Costs Payable	0	0	58,900	58,900	0
Capital Lease Payable	324	0	0	324	3,544
Compensated Absences Payable	7,455	35,480	541	43,476	10,985
Net Pension Liability	1,153,321	1,153,321	104,848	2,411,490	733,932
<i>Total Long-Term Liabilities</i>	<u>7,650,153</u>	<u>14,473,612</u>	<u>246,719</u>	<u>22,370,484</u>	<u>1,068,509</u>
<i>Total Liabilities</i>	<u>8,850,420</u>	<u>15,627,271</u>	<u>490,313</u>	<u>24,968,004</u>	<u>1,348,214</u>
Deferred Inflows of Resources:					
Pension	23,063	71,305	2,096	96,464	14,676
Net Position:					
Net Investment in Capital Assets	5,629,537	6,061,263	15,966	11,706,766	194,951
Unrestricted	3,403,575	10,789,872	838,461	15,031,908	105,220
<i>Total Net Position</i>	<u>\$9,033,112</u>	<u>\$16,851,135</u>	<u>\$854,427</u>	<u>26,738,674</u>	<u>\$300,171</u>
Net Position reported for business-type activities in the statement of net position is different because it includes a proportionate share of the balance of the internal service fund.				<u>339,668</u>	
Net Position of Business-Type Activities				<u>\$27,078,342</u>	

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Operating Revenues:					
Charges for Services	\$4,136,284	\$6,648,955	\$2,743,135	\$13,528,374	\$5,266,241
Other	138,564	5,844	215	144,623	3,132
<i>Total Operating Revenues</i>	<u>4,274,848</u>	<u>6,654,799</u>	<u>2,743,350</u>	<u>13,672,997</u>	<u>5,269,373</u>
Operating Expenses:					
Personal Services	1,339,790	1,360,390	163,740	2,863,920	874,190
Contractual Services	1,676,301	3,531,354	2,642,044	7,849,699	1,027,171
Materials and Supplies	202,450	231,804	6,581	440,835	621,780
Claims	0	0	0	0	2,751,056
Depreciation	596,306	942,065	19,291	1,557,662	47,244
<i>Total Operating Expenses</i>	<u>3,814,847</u>	<u>6,065,613</u>	<u>2,831,656</u>	<u>12,712,116</u>	<u>5,321,441</u>
<i>Operating Income(Loss)</i>	<u>460,001</u>	<u>589,186</u>	<u>(88,306)</u>	<u>960,881</u>	<u>(52,068)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	32,979	42,077	0	75,056	7,141
Interest and Fiscal Charges	(130,162)	(416,484)	0	(546,646)	(549)
Loss on Disposal of Capital Assets	0	(14,910)	0	(14,910)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(97,183)</u>	<u>(389,317)</u>	<u>0</u>	<u>(486,500)</u>	<u>6,592</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	362,818	199,869	(88,306)	474,381	(45,476)
Capital Contributions	52,330	43,110	0	95,440	0
Transfers - In	685,584	0	0	685,584	25,000
<i>Change in Net Position</i>	1,100,732	242,979	(88,306)	1,255,405	(20,476)
<i>Net Position at Beginning of Year</i>	<u>7,932,380</u>	<u>16,608,156</u>	<u>942,733</u>		<u>320,647</u>
<i>Net Position at End of Year</i>	<u>\$9,033,112</u>	<u>\$16,851,135</u>	<u>\$854,427</u>		<u>\$300,171</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i>				<u>5,804</u>	
<i>Change in net position of business-type activities</i>				<u>\$1,261,209</u>	

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received From Customers	\$4,184,715	\$6,640,469	\$2,787,207	\$13,612,391	\$0
Cash Received From Interfund Services Provided	0	0	0	0	5,293,338
Cash Received From Other Operating Revenues	138,564	5,844	215	144,623	3,132
Cash Payments for Claims	0	0	0	0	(2,521,957)
Cash Payments for Employee Services and Benefits	(1,293,231)	(1,316,407)	(157,559)	(2,767,197)	(861,211)
Cash Payments to Suppliers	(1,835,025)	(3,630,627)	(2,707,902)	(8,173,554)	(1,626,342)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,195,023</u>	<u>1,699,279</u>	<u>(78,039)</u>	<u>2,816,263</u>	<u>286,960</u>
Cash Flows from Noncapital Financing Activities:					
Transfers - In	685,584	0	0	685,584	25,000
Cash Flows Used for Capital and Related Financing Activities:					
Cash Received from Special Assessments	0	13,640	0	13,640	0
Acquisition of Capital Assets	(3,706,856)	(3,715,246)	0	(7,422,102)	(30,266)
Note Proceeds	3,550,879	3,996,368	0	7,547,247	0
Note Premiums	19,665	21,787	0	41,452	0
Notes Principal Payments	(718,100)	(2,788,900)	0	(3,507,000)	0
Notes Interest Payments	(9,845)	(27,813)	0	(37,658)	0
General Obligation Bond Principal Payments	0	(130,000)	0	(130,000)	0
General Obligation Bond Interest Payments	0	(317,754)	0	(317,754)	0
Refunding Bonds Principal Payments	(230,200)	(194,800)	0	(425,000)	0
Refunding Bonds Interest Payments	(104,903)	(63,744)	0	(168,647)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(3,640)	0	(3,640)	0
Loans Payable Proceeds	1,449	0	0	1,449	0
Loans Payable Principal Payments	(8,342)	0	0	(8,342)	0
Capital Lease Principal Payments	(605)	0	0	(605)	(6,668)
Capital Lease Interest Payments	(50)	0	0	(50)	(549)
Capital Contributions by Customers	26,952	23,230	0	50,182	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,179,956)</u>	<u>(3,196,872)</u>	<u>0</u>	<u>(4,376,828)</u>	<u>(37,483)</u>
Cash Flows from Investing Activities:					
Interest	32,979	38,437	0	71,416	7,141
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	733,630	(1,459,156)	(78,039)	(803,565)	281,618
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>4,328,205</u>	<u>13,121,821</u>	<u>1,078,207</u>	<u>18,528,233</u>	<u>800,004</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$5,061,835</u>	<u>\$11,662,665</u>	<u>\$1,000,168</u>	<u>\$17,724,668</u>	<u>\$1,081,622</u>

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(Continued)

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Sanitation Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income	\$460,001	\$589,186	(\$88,306)	\$960,881	(\$52,068)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	596,306	942,065	19,291	1,557,662	47,244
Landfill Closure and Postclosure Costs	0	0	(49,552)	(49,552)	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(2,240)	(55,716)	16,753	(41,203)	0
Decrease in Materials and Supplies Inventory	18,447	9,441	0	27,888	6,781
Decrease in Interfund Receivable	0	0	0	0	27,113
Decrease in Deferred Outflows of Resources - Pension	80,722	89,743	7,338	177,803	51,368
Increase in Accounts Payable	47,381	120,418	17,723	185,522	15,828
Increase in Claims Payable	0	0	0	0	229,099
Increase in Contracts Payable	12,197	39,855	0	52,052	0
Increase in Retainage Payable	18,527	5,776	0	24,303	0
Increase in Accrued Wages Payable	4,548	3,082	290	7,920	3,423
(Decrease) in Intergovernmental Payable	(4,411)	(1,105)	(352)	(5,868)	(3,437)
(Decrease) in Refundable Deposits Payable	(98)	(98)	(98)	(294)	0
(Decrease) in Interfund Payable	(2,057)	(831)	(31)	(2,919)	(16)
Increase (Decrease) in Compensated Absences Payable	(8,775)	5,244	1,224	(2,307)	(22,133)
(Decrease) in Net Pension Liability	(11,880)	(11,878)	(1,078)	(24,836)	(7,559)
(Decrease) in Deferred Inflows of Resources - Pension	(13,645)	(35,903)	(1,241)	(50,789)	(8,683)
Net Cash Provided by (Used for) Operating Activities	<u>\$1,195,023</u>	<u>\$1,699,279</u>	<u>(\$78,039)</u>	<u>\$2,816,263</u>	<u>\$286,960</u>

Noncash Capital Financing Activities

During 2016, there were assets donated from governmental funds to Water Fund \$25,378.
During 2016, there were assets donated from governmental funds to Sewer Fund \$19,880.

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Net Position
Agency Fund
December 31, 2016

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$212,050</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$212,050</u></u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 – Description Of The City And Reporting Entity

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

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

Reporting Entity

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Public Entity Shared Risk Pool:
Public Entities Pool of Ohio
Jefferson Health Plan

Note 2 – Summary Of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund – The General Fund accounts for and reports all financial resources not accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Proprietary Funds

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

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

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

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

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

Internal Service Funds – Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on vehicle and equipment maintenance services, information technology services, employee assistance programs associated with employee health benefits, and Jefferson Health Plan associated with employee health and prescription drug benefits..

Fiduciary Funds

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide statement of net position. The deferred outflows of resources related to pension are explained in Note 12. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, charges for services, and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 24.

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

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Pensions

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

Cash and Cash Equivalents

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

During 2016, the City invested in Federal Home Loan Bank Serial/Consolidation Bonds, Federal Home Loan Bank Mortgage Notes, Federal Home Loan Bank Mortgage Bonds, and Federal National Mortgage Association Bonds. Investments are reported at fair value which is based on quoted market prices.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue, including a decrease in the fair market value of investments, credited to the General Fund during fiscal year 2016 amounted to (\$52,142), which includes (\$38,771) assigned from other funds.

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

Assets Held for Resale

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

Interfund Receivables/Payables

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

Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventory consists of expendable supplies held for consumption.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Restricted Assets

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

Capital Assets

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

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after 20 years of service with the City.

Accrued Liabilities and Long-Term Obligations

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

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

Deferred Charge on Refunding

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

Fund Balance

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund Transactions/Internal Activity

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Budgetary Process

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

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

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

Bond Discounts, Premiums

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

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

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Operating Revenues and Expenses

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

Contributions of Capital

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

Estimates

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

Note 3 – Change in Accounting Principle

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” GASB Statement No. 77, “Tax Abatement Disclosures.” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

At December 31, 2016, the following funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Special Revenue Funds:	
Community Redevelopment Fund	\$99,176
Community Development Block Grant 2017 Fund	2,699
Capital Projects Fund:	
I-675 Corridor TIF Fund	1,614,967
Internal Service Fund:	
Equipment Fund	37,328

The General Fund is liable for the deficit in this fund and will provide transfers when cash is required, not when accruals occur.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 5 – Budgetary Basis Of Accounting

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Net Change in Fund Balance				
	General Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Fund
GAAP Basis	(\$56,768)	(\$19,677)	\$310,160	\$391,308
Revenue Accruals	(114,401)	32,441	0	(802,732)
Expenditure Accruals	(81,836)	(55,101)	10,125	393,202
Encumbrances	(712,158)	(178,502)	(86,728)	(951,669)
Change in Fair Value of Investments - 2016	369,224	0	0	0
Change in Fair Value of Investments - 2015	(59,523)	0	0	0
Agency Fund Allocation - 2016	(88,131)	0	0	0
Agency Fund Allocation - 2015	90,781	0	0	0
Excess of revenues under expenditures for Uninsured Loss Fund	9,285	0	0	0
Advances	40,000	0	0	0
Budget Basis	(\$603,527)	(\$220,839)	\$233,557	(\$969,891)

Note 6 – Deposits And Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

At December 31, 2016, the City's Self Insurance – Jefferson Health Plan internal service fund had a \$585,674 balance with Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool (See Note 22). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the City. Disclosures for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County Educational Service Center, Steubenville, Ohio 43952.

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

Investments

Investments are reported at fair value. As of December 31, 2016, the City had the following investments:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>	<u>Moody's Rating</u>	<u>Percent of Total Investments</u>
Fair Value - Level Two Inputs				
Federal Home Loan Bank Serial/Consolidation Bonds	\$6,025,477	Less than five years	AAA	20.03 %
Federal Home Loan Bank Mortgage Notes	13,878,242	Less than five years	AAA	46.14
Federal Home Loan Bank Mortgage Bonds	1,985,300	Less than five years	AAA	6.60
Federal National Mortgage Association Bonds	<u>8,188,920</u>	Less than five years	AAA	27.23
Total Investments	<u>\$30,077,939</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2016. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Interest Rate Risk

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

Credit Risk

The City's investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist.

Concentration of Credit Risk

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

Note 7 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes were levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$10.96 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$500,809,070
Public Utility Personal	15,689,160
Totals	<u><u>\$516,498,230</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 8 – Municipal Income Tax

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and net profits earned within the City as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

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

One percent of the income tax was enacted effective October 1, 1976, to provide funds for the purposes of general City operations, maintenance, new equipment, extension and enlargement of City services and facilities and capital improvements of the City and is deposited into the General Fund. Three percent of the proceeds of this income tax is designated by ordinance for the purchase, lease, maintenance, repair, renovation or construction of City buildings and lands, excluding park lands, and therefore is allocated annually to the Building and Lands Fund.

One-quarter of one percent of the income tax was approved by the voters effective beginning January 1, 2015 and expiring December 31, 2024, for the purpose of thoroughfare and residential street improvements and is deposited into the County Motor Vehicle Tax Fund and the Street Maintenance and Repair Fund.

One-quarter of one percent of the income tax was approved by the voters effective beginning January 1, 2015 and expiring December 31, 2024, for the purpose of providing fire, police and emergency medical services and is deposited into the Public Safety Police/Fire Fund.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 9 – Receivables

Receivables at December 31, 2016, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, loans, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, special assessments, and loans.

Property, income, and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year in the General Bond Retirement Fund amount to \$302,166, and in the Sewer Fund in the amount is \$56,360. The City has \$153,054 of delinquent special assessments at December 31, 2016.

Loans receivable represent loans to stimulate new economic development by creating and/or expanding investment and employment in the City. The loan bears interest at a rate of ten percent. The loan is to be repaid over a period of five years.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amount
Local Government	\$376,343
Homestead Exemption and Rollbacks	318,846
Gasoline Tax	541,824
Motor Vehicle Tax	98,485
Community Development Block Grant	24,193
Bulletproof Vest Partnership Grant	855
Victims of Crime Act Grant	21,287
Home Investment Partnership Plan Grant	98
Specialized Docket Subsidy Grant	50,700
Victim Witness Grant	2,289
Jail Diversion Grant	31,347
Drug Abuse Resistance Education Grant	11,620
City of Beavercreek	10,952
Greene County	17,488
Total Governmental Funds	\$1,506,327

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Revenue in Lieu of Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments are made to Fairborn City School District and Greene County Vocational School District since they are impacted by the tax exemption for a period of up to 30 years. The City accrues a receivable for the amount measurable at December 31, 2016 with a corresponding credit to deferred inflows of resources-revenue in lieu of taxes.

Note 10 – Capital Assets

Changes in general capital assets for the year ended December 31, 2016, were as follows:

	Balance at 12/31/2015	Additions	Deletions	Balance at 12/31/2016
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$15,487,272	\$1,833,174	\$0	\$17,320,446
Construction in Progress	1,243,113	1,322,321	(2,500,672)	64,762
Total Capital Assets, Not Being Depreciated	<u>16,730,385</u>	<u>3,155,495</u>	<u>(2,500,672)</u>	<u>17,385,208</u>
Depreciable Capital Assets:				
Buildings	19,763,191	253,337	(199,357)	19,817,171
Improvements Other Than Buildings	2,627,539	66,470	0	2,694,009
Machinery and Equipment	5,733,467	422,910	(53,855)	6,102,522
Vehicles	6,445,599	950,984	(141,181)	7,255,402
Infrastructure	75,867,257	3,216,890	(478,987)	78,605,160
Total Depreciable Capital Assets	<u>110,437,053</u>	<u>4,910,591</u>	<u>(873,380)</u>	<u>114,474,264</u>
Less Accumulated Depreciation:				
Buildings	(7,679,805)	(472,259)	57,226	(8,094,838)
Improvements Other Than Buildings	(1,737,307)	(103,069)	0	(1,840,376)
Machinery and Equipment	(4,090,586)	(352,181)	22,047	(4,420,720)
Vehicles	(3,967,266)	(421,610)	127,803	(4,261,073)
Infrastructure	(43,396,528)	(2,192,639)	362,155	(45,227,012)
Total Accumulated Depreciation	<u>(60,871,492)</u>	<u>(3,541,758)</u>	<u>569,231</u>	<u>(63,844,019)</u>
Depreciable Capital Assets, Net	<u>49,565,561</u>	<u>1,368,833</u>	<u>(304,149)</u>	<u>50,630,245</u>
Governmental Activities Capital Assets, Net	<u>\$66,295,946</u>	<u>\$4,524,328</u>	<u>(\$2,804,821)</u>	<u>\$68,015,453</u>

Additions to capital assets being depreciated include \$797,955 in assets donated by developers for the year ended December 31, 2016. Deductions to capital assets being depreciated include depreciable assets of \$45,258 transferred from governmental activities to business-type activities.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Depreciation expense was charged to governmental programs as follows:

General Government	\$2,759,687
Public Safety	535,614
Leisure Time Activity	140,319
Community Development	20,490
Transportation and Street Repair	85,648
	<u>\$3,541,758</u>

Capital assets activities of the business-type activities for the year ended December 31, 2016, was as follows:

	Balance at 12/31/2015	Additions	Deletions	Balance at 12/31/2016
<u>Business-type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$94,542	\$65,091	\$0	\$159,633
Construction in Progress	810,340	5,216,937	(3,450,965)	2,576,312
Total Capital Assets, Not Being Depreciated	904,882	5,282,028	(3,450,965)	2,735,945
Depreciable Capital Assets				
Buildings	27,343,440	95,031	0	27,438,471
Improvements Other Than Buildings	1,981,814	7,555	0	1,989,369
Machinery and Equipment	6,127,252	81,145	(19,880)	6,188,517
Vehicles	1,699,524	115,387	0	1,814,911
Infrastructure	24,553,878	5,337,179	0	29,891,057
Total Depreciable Capital Assets	61,705,908	5,636,297	(19,880)	67,322,325
Less Accumulated Depreciation:				
Buildings	(10,668,211)	(686,649)	0	(11,354,860)
Improvements Other Than Buildings	(1,935,508)	(16,002)	0	(1,951,510)
Machinery and Equipment	(5,100,109)	(170,290)	4,970	(5,265,429)
Vehicles	(1,055,283)	(161,197)	0	(1,216,480)
Infrastructure	(18,328,324)	(523,524)	0	(18,851,848)
Total Accumulated Depreciation	(37,087,435)	(1,557,662)	4,970	(38,640,127)
Depreciable Capital Assets, Net	24,618,473	4,078,635	(14,910)	28,682,198
Business-type Activities Capital Assets, Net	\$25,523,355	\$9,360,663	(\$3,465,875)	\$31,418,143

Additions to capital assets being depreciated include depreciable assets of \$45,258 transferred from governmental activities to business-type activities.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 11 – Risk Management

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

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

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2016 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2015:

<u>Casualty and Property Coverage</u>	<u>2016</u>	<u>2015</u>
Assets	\$42,182,281	\$38,307,677
Liabilities	<u>13,396,700</u>	<u>12,759,127</u>
Net Position - Unrestricted	<u>\$28,785,581</u>	<u>\$25,548,550</u>
Unpaid Claims to be Billed in the Future	\$11.5 million	\$11.0 million
Number of Members	520	499

The unpaid claims to be billed in the future will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$186,000. This payable includes the subsequent year's contribution due if the City terminates participation, as described below.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

<u>Contributions to PEP</u>	<u>Amount</u>
2014	\$232,822
2015	239,314
2016	245,310

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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

The City provides health insurance to its employees through a self-insurance plan. The City pays \$561 per month for eligible employees electing single coverage and \$1,627 for eligible employees electing family coverage, with the employees paying \$118 per month for single coverage, and \$342 per month for family coverage. The City participated in the Jefferson Health Plan during 2016. Jefferson Health Plan administers the health insurance plan.

	<u>Balance at January 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at December 31,</u>
2015	\$0	\$1,815,726	\$1,560,693	\$255,033
2016	255,033	2,751,056	2,521,957	484,132

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$963,102 for 2016. Of this amount, \$97,929 is reported as an intergovernmental payable.

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,472,036 for 2016. Of this amount, \$154,803 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06053100%	0.37672500%	
Prior Measurement Date	<u>0.06062000%</u>	<u>0.37679490%</u>	
Change in Proportionate Share	<u>-0.00008900%</u>	<u>-0.00006990%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,484,734	\$24,234,984	\$34,719,718
Pension Expense	\$1,464,894	\$3,297,787	\$4,762,681

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$3,081,856	\$3,944,526	\$7,026,382
Changes in proportion and differences between City contributions and proportionate share of contributions	43,281	0	43,281
City contributions subsequent to the measurement date	963,102	1,472,036	2,435,138
Total Deferred Outflows of Resources	\$4,088,239	\$5,416,562	\$9,504,801
Deferred Inflows of Resources			
Differences between expected and actual experience	\$202,586	\$68,051	\$270,637
Changes in proportion and differences between City contributions and proportionate share of contributions	50,364	2,902	53,266
Total Deferred Inflows of Resources	\$252,950	\$70,953	\$323,903

\$2,435,138 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2017	\$670,764	\$1,025,030	\$1,695,794
2018	720,043	1,025,030	1,745,073
2019	783,955	1,025,030	1,808,985
2020	697,425	799,149	1,496,574
2021	0	(559)	(559)
Thereafter	0	(107)	(107)
Total	\$2,872,187	\$3,873,573	\$6,745,760

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00%</u>	<u>5.27%</u>

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$16,704,740	\$10,484,734	\$5,238,353

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OP&F's total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$31,962,697	\$24,234,984	\$17,688,850

Note 13 – Post Employment Benefits

Ohio Public Employees Retirement System

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

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The City's contribution allocated to fund post-employment healthcare benefits for the years ended December 31, 2016, 2015, and 2014 was \$171,965, \$50,354, and \$148,642, respectively. For 2016, 90.51 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$17,231 and \$21,647 for the year ended December 31, 2016, \$16,074 and \$20,039 for the year ended December 31, 2015, and \$16,405 and \$20,659 for the year ended December 31, 2014. For 2016, 90.21 percent has been contributed for police and 91.08 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Note 14 – Other Employee Benefits

Compensated Absences

All full-time City employees earn vacation at varying rates based upon the employee's years of service. Employees are allowed to carry over up to two years of accumulated vacation. Upon separation from the City, the employee (or his estate) with six months or more of service, receives accumulated, unused vacation up to an allowable maximum ranging from one year to two years of accrual. Most City employees earn sick leave at a rate of 1.25 days per month of work completed. Firefighters earn sick leave at a rate of 1.76 days per month of work completed. Upon retirement, eligible employees will be compensated for their accumulated sick leave at a maximum rate of one-third of the balance provided they meet minimum accumulated sick leave hours ranging from 480 to 720 hours and do not exceed varying maximums ranging from 1,200 to 1,800 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

Medical, Dental and Life Insurance Benefits

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Note 15 – Capital Leases - Lessee Disclosure

In prior years, the City entered into lease agreements for energy conservation improvements. The original amount of the energy conservation lease was for \$1,045,901 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. As part of the agreement for 2008 energy conservation improvements, Citicapital Municipal Finance, as lessor, deposited \$1,045,900 into a separate bank account in the City’s name.

The lease meets the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. For the business-type activities and internal service funds, principal payments are reflected as a decrease to the liability on the Statement of Fund Net Position. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized in the amount of \$232,018 for governmental activities and \$5,469 in the business-type activities which equaled the present value of the future minimum lease payments at the time of acquisition. Principal payments in 2016 totaled \$25,613 in governmental activities and \$605 in business-type activities.

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Depreciation</u>	<u>December 31, 2016</u>
Asset:			
Governmental Activities			
Machinery and Equipment	\$232,018	(\$189,481)	\$42,537
Business-type Activities			
Machinery and Equipment	\$5,469	(\$4,467)	\$1,002

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2016.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

December 31,	Governmental Activities	Business- type Activities
2017	\$27,766	\$654
2018	13,881	330
Total	41,647	984
Less: Amount Representing Interest	(1,435)	(34)
Present Value of Minimum Lease Payments	<u>\$40,212</u>	<u>\$950</u>

Note 16 – Operating Lease – Lessee Disclosure

In prior years, the City entered into a lease purchase agreement with Citicapital Municipal Finance to finance energy conservation improvements made to various buildings and infrastructure throughout the City. The original amount of the lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,413 being considered an operating lease. The lease commenced on May 27, 2008 and ends May 27, 2018. Operating lease payments made during 2016 were \$96,741.

The future minimum lease payments are as follows:

December 31,	Payment Total
2017	\$96,741
2018	48,371
Total	<u>\$145,112</u>

Note 17 – Short-Term Obligations

Changes in short-term obligations during 2016 were as follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Types/Issues	Balance at 12/31/2015	Increases	Decreases	Balance at 12/31/2016
<u>Governmental Activities:</u>				
2015 Various Purpose Bond Anticipation Note Series A	\$40,000	\$0	\$40,000	\$0
2015 Various Purpose Bond Anticipation Note Series B (Spangler Street) Premium	900,600 5,525	0 0	900,600 5,525	0 0
2015 Various Purpose Bond Anticipation Note Series B (2016 Curb & Sidewalk) Premium	175,000 1,073	0 0	175,000 1,073	0 0
2016 Various Purpose Bond Anticipation Note Series A	0	127,485	0	127,485
2016 Special Obligation Bond Anticipation Note Series A Premium	0 0	1,525,000 13,893	0 4,631	1,525,000 9,262
2016 Various Purpose Bond Anticipation Note Series B Premium	0 0	1,801,253 15,327	0 3,832	1,801,253 11,495
2016 Special Obligation Bond Anticipation Note Series B Premium	0 0	500,000 7,400	0 0	500,000 7,400
Total Governmental Activities	\$1,122,198	\$3,990,358	\$1,130,661	\$3,981,895
<u>Business-type Activities:</u>				
2015 Various Purpose Bond Anticipation Note Series B (Spangler Street) Premium	\$718,100 4,406	\$0 0	\$718,100 4,406	\$0 0
2016 Various Purpose Bond Anticipation Note Series A (Water)	0	684,897	0	684,897
2016 Various Purpose Bond Anticipation Note Series B (Water) Premium	0 0	13,379 775	0 194	13,379 581
2016 Various Purpose Bond Anticipation Note Series B (Sewer) Premium	0 0	269,968 1,888	0 472	269,968 1,416
Total Business-type Activities	\$722,506	\$970,907	\$723,172	\$970,241

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

On March 24, 2016 the City issued \$812,382 (\$127,485 is governmental and \$684,897 is business-type in the water fund) in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2015 various purpose bond anticipation notes and to issue new debt. The notes were issued at 1.25 percent and matured on March 23, 2017. The notes were paid from the street maintenance and repair, building and land, public safety police/fire and water fund, respectively.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

On August 17, 2016 the City issued \$1,525,000 in special obligation bond anticipation notes series A. The notes were issued to repair the Broad Street corridor. The notes were issued at 2.125 percent and will mature on August 16, 2017. The notes were paid from the community redevelopment fund.

On September 9, 2016 the City issued \$2,084,600 (\$1,801,253 is governmental and \$13,379 is business-type in the water fund and \$269,968 is business-type in the sewer fund) in various purpose bond anticipation notes series B. The notes were issued to improve the City's roads. The notes were issued at 1.875 percent and will mature on September 8, 2017. The notes were paid from the general, county motor vehicle, I-675 corridor TIF, special assessment construction, water and sewer fund, respectively.

On December 22, 2016 the City issued \$500,000 in special obligation bond anticipation notes series B. The notes were issued for economic development. The notes were issued at 4.125 percent and will mature on August 16, 2017. The notes were paid from the community redevelopment fund.

Note 18 – Long-Term Obligations

The summary of changes in long-term obligations of the governmental activities of the City during 2016 follows:

Types/Issues	Balance at 12/31/2015	Increases	Decreases	Balance at 12/31/2016	Due Within One Year
<u>Notes Payable:</u>					
2015 1.00% - Various Purpose Bond Anticipation					
Notes Series A (Police)	\$270,000	\$0	\$270,000	\$0	\$0
Premium	539	0	539	0	0
2016 1.25% - Various Purpose Bond Anticipation					
Notes Series A	0	757,515	0	757,515	0
Premium	0	4,726	3,544	1,182	0
Total Notes Payable	270,539	762,241	274,083	758,697	0
<u>Unvoted General Obligation Bonds:</u>					
2003 3.50 to 4.75% Municipal Court					
Building Renovations \$455,000	95,000	0	95,000	0	0
<u>Tax Increment Financing Revenue Bonds:</u>					
2013 1.5-3% Various Purpose					
Revenue Bonds (TIF)	1,365,000	0	85,000	1,280,000	85,000
Premium	34,160	0	2,554	31,606	0
Total Tax Increment Financing Revenue Bonds	\$1,399,160	\$0	\$87,554	\$1,311,606	\$85,000

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Types/Issues	Balance at 12/31/2015	Increases	Decreases	Balance at 12/31/2016	Due Within One Year
<u>Special Assessment Bonds with</u>					
<u>Governmental Commitment:</u>					
1998 5.15% Commerce Center/ Channingway \$1,160,000					
	\$265,000	\$0	\$80,000	\$185,000	\$85,000
2003 4.00 to 8.30% Dayton - Yellow Spring Improvement \$305,000					
	157,000	0	18,000	139,000	19,000
2011 3.00% Curb and Sidewalk \$320,000					
	70,000	0	70,000	0	0
2012 2.5% Curb and Sidewalk \$120,000					
	50,000	0	25,000	25,000	25,000
2013 1.5-2% Various Purpose Special Assessment Bonds					
	45,000	0	15,000	30,000	15,000
Premium					
	1,831	0	112	1,719	0
2016 1.9% Curb and Sidewalk \$85,000					
	0	85,000	0	85,000	15,000
Total Special Assessment Bonds	<u>588,831</u>	<u>85,000</u>	<u>208,112</u>	<u>465,719</u>	<u>159,000</u>
<u>Loans Payable:</u>					
OPWC 0% \$334,832					
	<u>0</u>	<u>334,832</u>	<u>0</u>	<u>334,832</u>	<u>4,156</u>
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable					
	65,825	0	25,613	40,212	26,572
Claims Payable					
	255,033	2,751,056	2,521,957	484,132	164,084
Compensated Absences Payable					
	<u>1,245,084</u>	<u>1,027,633</u>	<u>999,142</u>	<u>1,273,575</u>	<u>985,819</u>
Total Other Long-Term Obligations	<u>1,565,942</u>	<u>3,778,689</u>	<u>3,546,712</u>	<u>1,797,919</u>	<u>1,176,475</u>
<u>Net Pension Liability:</u>					
OP&F					
	19,519,547	4,715,437	0	24,234,984	0
OPERS					
	<u>5,556,702</u>	<u>2,516,542</u>	<u>0</u>	<u>8,073,244</u>	<u>0</u>
Total Net Pension Liability	<u>25,076,249</u>	<u>7,231,979</u>	<u>0</u>	<u>32,308,228</u>	<u>0</u>
Total Governmental Activities	<u>\$28,995,721</u>	<u>\$12,192,741</u>	<u>\$4,211,461</u>	<u>\$36,977,001</u>	<u>\$1,424,631</u>

On March 24, 2016 the City issued \$757,515 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2015 various purpose bond anticipation notes and to issue new debt. The notes were issued at 1.25 percent and matured on March 23, 2017. The notes were paid from the street maintenance and repair, building and land, and public safety police/fire funds.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

The 2011, 2012, 2013 and 2016 Curb and Sidewalk special assessment bonds were issued for the purpose of constructing and repairing curbs, sidewalks and driveway approaches throughout the City. Each bond issue is being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

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

The OPWC loan consists of money owed to the Ohio Public Works Commission for various construction projects within the City. The loan is a 30 year general obligation loan payable. The liability for the governmental funds are not recorded on the fund financial statement, but are recorded on the government-wide financial statements. The liability for the Water Fund is recorded in the fund and government-wide financial statements. The loan will be repaid from the County Motor Vehicle Tax Fund and the Water Fund.

Capital lease obligations will be paid from the General Fund, the Fire and EMS Special Revenue Fund, the Water Enterprise Fund, and the Equipment and Information Technology Internal Service Funds. Compensated absences will be paid from the General, the Fire and EMS, Police, Street Maintenance and Repair, State Highway, Cemetery, Community Development and Victim Witness Special Revenue Funds, the Water, Sewer and Sanitation Enterprise Funds and the Equipment and Information Technology Internal Service Funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the General Fund, the Fire and EMS, Street Maintenance and Repair, State Highway, Police, Cemetery, Community Development, Victim Witness, Home, Community Development Block Grant, Municipal Probation Services, Court Clerk Computerization, Public Safety Police/Fire and Moving Ohio Forward special revenue funds, the Court Special Projects capital project fund, the Equipment and Information Technology internal service funds, and the Water, Sewer and

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Sanitation enterprise funds. For additional information related to the net pension liability see note 12.

A summary of the long-term obligations reported for business-type activities during 2016 is as follows:

Types/Issues	Balance at 12/31/2015	Increases	Decreases	Balance at 12/31/2016	Due Within One Year
<u>Notes Payable:</u>					
2015 1.00% - Sewer Various Purpose					
Bond Anticipation Series A (NW Force)	\$100,000	\$0	\$100,000	\$0	\$0
Premium	174	0	174	0	0
2015 1.00% - Sewer Treatment Plant Generator					
Bond Anticipation Series A	2,688,900	0	2,688,900	0	0
Premium	4,672	0	4,672	0	0
2016 1.25% - Water Various Purpose					
Bond Anticipation Series A	0	2,852,603	0	2,852,603	0
Premium	0	18,890	14,168	4,722	0
2016 1.25% - Sewer Various Purpose					
Bond Anticipation Series A	0	3,726,400	0	3,726,400	0
Premium	0	19,899	14,924	4,975	0
Total Notes Payable	<u>2,793,746</u>	<u>6,617,792</u>	<u>2,822,838</u>	<u>6,588,700</u>	<u>0</u>
<u>General Obligation Bonds</u>					
2010 2.00 to 4.50% - Sewer Various Purpose \$7,460,000					
Discount	7,270,000	0	130,000	7,140,000	130,000
Discount	(57,696)	0	(2,509)	(55,187)	0
Total General Obligation Bonds	<u>7,212,304</u>	<u>0</u>	<u>127,491</u>	<u>7,084,813</u>	<u>130,000</u>
<u>Refunding Bonds:</u>					
2013 1.5% to 3.0% Water Various Purpose Bonds					
Premium	3,265,000	0	160,000	3,105,000	165,000
Premium	58,544	0	3,575	54,969	0
2013 1.5% to 3.0% Water Various Purpose Bonds					
Premium	684,450	0	70,200	614,250	72,150
Premium	13,887	0	1,658	12,229	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds					
Premium	1,070,550	0	109,800	960,750	112,850
Premium	21,721	0	2,593	19,128	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds					
Premium	1,730,000	0	85,000	1,645,000	85,000
Premium	31,062	0	1,897	29,165	0
Total Refunding Bonds	<u>6,875,214</u>	<u>0</u>	<u>434,723</u>	<u>6,440,491</u>	<u>435,000</u>
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	80,000	0	10,000	70,000	10,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	8,342	0	8,342	0	0
OPWC 0% Water \$1,449	0	1,449	0	1,449	1,449
Total Loans Payable	<u>\$8,342</u>	<u>\$1,449</u>	<u>\$8,342</u>	<u>\$1,449</u>	<u>\$1,449</u>

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Types/Issues	Balance at 12/31/2015	Increases	Decreases	Balance at 12/31/2016	Due Within One Year
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	\$167,352	\$0	\$49,552	\$117,800	\$58,900
Capital Leases	1,555	0	605	950	626
Net Pension Liability - OPERS	1,754,748	656,742	0	2,411,490	0
Compensated Absences	177,641	129,980	132,287	175,334	131,858
Total Other Long-Term Obligations	<u>2,101,296</u>	<u>786,722</u>	<u>182,444</u>	<u>2,705,574</u>	<u>191,384</u>
Total Business-type Activities	<u>\$19,070,902</u>	<u>\$7,405,963</u>	<u>\$3,585,838</u>	<u>\$22,891,027</u>	<u>\$767,833</u>

On March 24, 2016 the City issued \$6,579,003 in various purpose bond anticipation notes series A. \$2,688,900 of the notes were issued to retire the 2015 various purpose bond anticipation notes, \$100,000 of the notes were issued to retire the sewer portion of the 2015 various purpose bond anticipation notes. The remaining \$3,790,103 were issued for the purpose of upgrading the meter system and the Mad River project. The notes were issued at 1.25 percent and matured on March 23, 2016. The notes were paid from water and sewer with charges.

On May 20, 2010 the City issued \$7,460,000 in Sewer Various Purpose general obligation bonds PPage 83 for the purpose of paying the costs of designing, constructing, and improving a water reclamation center office building and laboratory with related site improvements and necessary appurtenances. Of these bonds, \$3,130,000 were serial bonds and \$4,330,000 were term bonds. The bonds were issued for a 29 year period with final maturity in May of 2038. The bonds will be retired from the Sewer Enterprise Fund.

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

On April 16, 2013, the City issued \$1,995,000 in general obligation bonds to refund a portion of the 2004 water various purpose bonds and 2004 sewer various purpose bonds in order to take advantage of lower interest rates. The bonds were issued with interest rates varying from 1.5 to 3.0 percent. The bonds were issued for 11 year period with a final maturity during 2024. The bonds will be retired through the water and sewer funds with charges.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

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

Capital lease obligations will be paid from the Water and Sewer Enterprise Funds. Compensated absences will be paid from the Water, Sewer, and Sanitation Enterprise Funds. The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see note 12.

The City's overall legal debt margin was \$53,078,248 at December 31, 2016, and the unvoted debt margin was \$27,253,337.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2016 follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Governmental Activities					
December 31,	TIF Revenue Bonds		Special Assessment Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2017	\$85,000	\$30,862	\$159,000	\$18,838	\$4,156
2018	90,000	29,588	150,000	12,140	11,209
2019	90,000	27,788	35,000	5,545	11,209
2020	90,000	26,438	40,000	4,360	11,209
2021	95,000	24,636	40,000	3,080	11,209
2022-2026	495,000	91,676	40,000	2,700	56,045
2027-2031	335,000	20,250	0	0	56,045
2032-2036	0	0	0	0	56,045
2037-2041	0	0	0	0	56,050
2042-2046	0	0	0	0	56,050
2047	0	0	0	0	5,605
Total	\$1,280,000	\$251,238	\$464,000	\$46,663	\$334,832

Business type Activities					
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2017	\$565,000	\$453,863	\$10,000	\$3,230	\$1,449
2018	580,000	443,276	10,000	2,820	0
2019	595,000	429,988	10,000	2,350	0
2020	605,000	418,613	10,000	1,880	0
2021	620,000	403,976	10,000	1,410	0
2022-2026	3,200,000	1,766,393	20,000	1,410	0
2027-2031	3,535,000	1,212,564	0	0	0
2032-2036	2,685,000	573,288	0	0	0
2037-2038	1,080,000	73,350	0	0	0
Total	\$13,465,000	\$5,775,311	\$70,000	\$13,100	\$1,449

Note 19 – Landfill Closure And Postclosure Care Cost

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1989. The \$117,800 reported as a landfill post-closure care liability in the Sanitation Enterprise Fund at December 31, 2016, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The City is not required by State and federal laws and regulations to provide assurances that financial resources will be available to provide for post-closure care and remediation or containment of environmental hazards at the landfill. On March 1, 1990, the financial assurance rules went into effect. Prior to that, post-closure care was required (as long as the facility closed between March 1, 1987 and February 28, 1990), but there were no requirements for financial assurance since no financial assurance rules existed.

Note 20 – Interfund Assets/Liabilities

Interfund balances at December 31, 2016, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

Interfund Payable	Interfund Receivable
Nonmajor	General
Governmental Funds	Fund
	\$204,000

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Transfers From	Transfers To						
	Fire and EMS Fund	Police Fund	County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Internal Service Funds	Water Fund	Total
General Fund	\$2,400,000	\$4,260,000	\$0	\$918,678	\$25,000	\$0	\$7,603,678
Nonmajor Governmental Funds	0	0	912,949	90,000	0	685,584	1,688,533
Total	\$2,400,000	\$4,260,000	\$912,949	\$1,008,678	\$25,000	\$685,584	\$9,292,211

Transfers are used to move General Fund revenues that are used to subsidize various programs and for debt service requirements into other funds. The transfer between nonmajor special revenue funds and nonmajor special revenue funds of \$50,000 was to assist in equipment acquisitions. Transfers from the Nonmajor Governmental Funds to the County Motor Vehicle Fund of \$912,949, Water Fund of \$685,584 and other Nonmajor Governmental Funds of \$40,000 occurred due to scheduled debt payments that related to short-term obligations.

Note 21 – Jointly Governed Organizations

Miami Valley Regional Planning Commission

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Payments to the Commission are made from the General Fund. The City contributed \$14,882 for the operation of the Commission during 2016. Financial information may be obtained by writing to Brian Martin, Executive Director, Ten North Ludlow Street, Suite 700, Dayton, Ohio 45402.

Regional Emergency Response Team (RERT)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the RERT are made from the General Fund. The City contributed \$6,083 for the operation of the RERT for 2016. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o the City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

control is limited to representation on the Board. Payments to the Task Force are made from the General Fund. The City contributed \$10,500 during 2016. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, OH 45432.

Fairborn Development Corporation

The Fairborn Development Corporation is a jointly governed organization created as a not-for-profit corporation under Chapter 1724 of the Ohio Revised Code. The Fairborn Development Corporation was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the Greene County, Ohio and the municipal corporations located therein. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$441,114 from General Fund to the Fairborn Development Corporation during 2016. Financial information can be obtained by writing to Fairborn Development Corporation, c/o The City of Fairborn, Mike Gebhart, Executive Director, at 44 West Hebble Avenue, Fairborn, OH 45324.

Greene County Regional Planning and Coordination Commission (GCRPCC)

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

GCRPCC guides the physical development of land in the unincorporated areas of Greene County. Specifically, the GCRPCC oversees the administration of many county development regulations, including subdivisions. The GCRPCC provides professional planning services and technical assistance to the member jurisdictions and county departments so as to enhance the quality of life for those who live, work and recreate in Greene County.

The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City is a non-voting member and made no contributions during 2016. Financial information can be obtained from Ken LeBlanc, Executive Director, at 651 Dayton-Xenia Road, Suite #1, Xenia, Ohio 45385.

Note 22 – Public Entity Shared Risk Pool

Public Entities Pool of Ohio (PEP)

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract (“Participation Agreements”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals.

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

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 10100 Innovation Drive, Dayton, Ohio, 45342.

Jefferson Health Plan

The City participates in the Jefferson Health Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including three insurance consortiums. Each participant appoints a member of the insurance plan’s assembly. The Plan’s business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$200,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$1,500,000, and all claims between the deductible and the \$1,500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants’ actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$1,500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by MetLife.

Note 23 - Significant Commitments

Encumbrances

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

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

<u>Governmental Funds:</u>	
General	\$712,158
Fire and EMS	178,502
Police	86,728
County Motor Vehicle Tax	951,669
Other Governmental Funds	1,437,197
Total Governmental Funds	<u>3,366,254</u>
 <u>Enterprise Funds:</u>	
Water	2,295,323
Sewer	7,445,984
Sanitation	445,241
Total Enterprise Funds	<u>10,186,548</u>
 <u>Internal Service Funds:</u>	
Equipment	28,128
Information Technology	66,711
Total Internal Service Fund	<u>94,839</u>
 Total	 <u><u>\$13,647,641</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Contractual Commitments

As of December 31, 2016, the City had the following commitments with respect to capital projects:

Project	Construction Commitment
Police Department Building/ Parking Lot Renovation Design	\$87,541
Water Reclamation Center Roof Replacement	33,437
Water Treatment Plant Roof Replacement	33,781
Main Street Phase III	40,588
Dayton Drive Widening	70,000
Northwest Lift/Force Upgrade	164,807
Maple Avenue Bridge/Overpass Project	65,703
Southeast Lift Station	1,822,962
Water Reclamation Center Concrete Wall Repair	44,670
Digesters 1 and 2 Blower	81,358
Sanitary Sewer Rehab	111,925
Water Main Replacements	88,514
SCADA Upgrades	314,548
Refurbish Clarifier #1	55,852
Mad River Parallel Raw Water Line	56,447
2016 Street Program	506,759
I-675/Dayton- Yellow Springs Interchange Enhancement	103,211
Solids Dewatering/Conveyance	263,800
2017 Curb, Sidewalk and Approach and ADA Ramp Project	93,513
Meter System Upgrade	1,481,771

Note 24 – Fund Balance

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Fund Balances	General Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Tax Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Material and Supplies	\$18,950	\$0	\$11,256	\$0	\$158,355	\$188,561
Loans Receivable	0	0	0	0	500,000	500,000
	18,950	0	11,256	0	658,355	688,561
<u>Restricted for:</u>						
Assets held for Resale	0	0	0	0	83,623	83,623
Road Improvements	0	0	0	2,744,694	1,479,845	4,224,539
Debt Service	0	0	0	0	125,934	125,934
Neighborhood Stabilization	0	0	0	0	21,245	21,245
Drug and Alcohol Enforcement	0	0	0	0	554,187	554,187
Victim Assistance Programs	0	0	0	0	27,203	27,203
Municipal Court Programs	0	0	0	0	846,080	846,080
Public Safety Equipment	0	446,932	617,117	0	1,170,469	2,234,518
Special Assessment Improvements	0	0	0	0	37,141	37,141
Economic Improvement	0	0	0	0	52,337	52,337
Total Restricted	0	446,932	617,117	2,744,694	4,398,064	8,206,807
<u>Committed to:</u>						
Cemetery Operations	0	0	0	0	28,537	28,537
Land and Building Improvements	0	0	0	0	83,969	83,969
Recreation Improvements	0	0	0	0	146,060	146,060
Total Committed	0	0	0	0	258,566	258,566
<u>Assigned to:</u>						
Purchases on Order for:						
General Government	300,983	0	0	0	0	300,983
Leisure Time Services	13,580	0	0	0	0	13,580
Community and Economic Development	148,522	0	0	0	0	148,522
Capital Projects	163,566	0	0	0	0	163,566
General Capital Improvements	0	0	0	0	459,463	459,463
Future Appropriations	1,396,895	0	0	0	0	1,396,895
Total Assigned	2,023,546	0	0	0	459,463	2,483,009
<u>Unassigned (Deficits):</u>	8,378,803	0	0	0	(2,216,842)	6,161,961
Total Fund Balances	\$10,421,299	\$446,932	\$628,373	\$2,744,694	\$3,557,606	\$17,798,904

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 25 – Contingent Liabilities

Litigation

The City of Fairborn is currently a party to legal proceeding seeking damages or injunctive relief generally incidental to its operations and pending projects as of December 31, 2016. 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.

Federal and State Grants

For the period January 1, 2016, to December 31, 2016, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 26 – Subsequent Events

On March 23, 2017, the City issued various Bond Anticipation Notes in the amount of \$9,186,518. On April 3, 2017, City Council authorized the issuance of taxable non-tax Revenue Bond Anticipation Notes in the amount not to exceed \$1,000,000 for the purpose of acquiring various properties for demolition and site preparation to support economic development within the City. The issuance of these notes is scheduled for June 8, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.06053100%	0.06062000%	0.06062000%
City's Proportionate Share of the Net Pension Liability	\$10,484,734	\$7,311,449	\$7,146,308
City's Covered Payroll	\$7,517,724	\$7,432,075	\$7,261,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.47%	98.38%	98.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.37672500%	0.37679490%	0.37679490%
City's Proportionate Share of the Net Pension Liability	\$24,234,984	\$19,519,547	\$18,351,094
City's Covered Payroll	\$7,521,151	\$7,331,137	\$6,483,988
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	322.22%	266.26%	283.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	72.20%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$963,102	\$902,127	\$891,849	\$944,038
Contributions in Relation to the Contractually Required Contribution	<u>(963,102)</u>	<u>(902,127)</u>	<u>(891,849)</u>	<u>(944,038)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,025,850	\$7,517,724	\$7,432,075	\$7,261,831
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,472,036	\$1,614,648	\$1,576,862	\$1,196,038
Contributions in Relation to the Contractually Required Contribution	<u>(1,472,036)</u>	<u>(1,614,648)</u>	<u>(1,576,862)</u>	<u>(1,196,038)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,865,876	\$7,521,151	\$7,331,137	\$6,483,988
Contributions as a Percentage of Covered Payroll:	21.44%	21.47%	21.51%	18.45%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$999,985	\$987,882	\$1,112,011	\$1,067,845	\$1,104,023	\$1,420,014
<u>(999,985)</u>	<u>(987,882)</u>	<u>(1,112,011)</u>	<u>(1,067,845)</u>	<u>(1,104,023)</u>	<u>(1,420,014)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,594,406	\$6,505,473	\$7,322,201	\$7,001,195	\$7,224,485	\$9,379,245
15.16%	15.19%	15.19%	15.25%	15.28%	15.14%

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Street Maintenance and Repair Fund

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

State Highway Fund

State Highway Fund accounts for and reports municipal income taxes restricted for street projects, and gasoline taxes and motor vehicle license fees restricted for routine maintenance of State highways within the City.

Community Development Fund

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

Community Redevelopment Fund

Community Redevelopment Fund accounts for and reports monies restricted for the community development department to demolish, renovate, and reconstruct blighted properties.

Cemetery Fund

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

Neighborhood Stabilization Fund

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

Neighborhood Stabilization II Fund

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

Community Development Block Grant (CDBG) 2017 Fund

CDBG 2017 Fund accounts for and reports restricted federal government grant money under the Community Development Block Grant program for the 2017 program year. This fund had no cash activity during 2016, therefore no budgetary statement is presented.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Victim Witness Fund

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

Home Fund

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

Victims Assistance Justice Assistance Grant Fund

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

Law Enforcement Trust Fund

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

Drug Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

Indigent Drivers Alcohol Treatment fund accounts for and reports restricted fines imposed by the Municipal Court for the purpose of paying the costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

Alcohol Enforcement and Education Fund

Alcohol Enforcement and Education Fund accounts for and reports restricted fines imposed by the Municipal Court for the purpose of educating the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

Federal Forfeitures Fund

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

Municipal Probation Services Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Traffic Intervention Fund

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

Court Legal Research/Computerization Fund

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

Court Clerk Computerization Fund

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

Indigent Driver's Interlock and Alcohol Monitoring Fund

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

Moving Ohio Forward Fund

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

Public Safety Police/Fire Fund

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

Federal Emergency Management Agency Fund

Federal Emergency Management Agency Fund accounts for and reports restricted federal grant money used to aid in cost reimbursements.

Uninsured Loss Fund

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

Debt Service Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Nonmajor Debt Service Fund

General Bond Retirement Fund

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

Capital Projects Funds

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

Nonmajor Capital Projects Funds

Court Special Projects Fund

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

General Capital Improvement Fund

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

Parks and Recreation Improvements Fund

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

Public Safety Equipment/Facility Fund

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

Building and Land Fund

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

Tax Increment Financing Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Special Assessment Construction Fund

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

I-675 Corridor Tax Increment Financing Fund

The I-675 Corridor Tax Increment Financing Fund accounts for and reports restricted revenue received from payments in lieu of taxes from area businesses that are within tax increment financing district of the I-675 Corridor, which are used for capital infrastructure improvements or pay for associated debt on past capital improvements within the designated area as well as reimbursing local school districts for a portion of the taxes lost as a result of the exemptions.

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$4,764,513	\$125,934	\$1,337,126	\$6,227,573
Receivables:				
Other Local Taxes	0	0	42,362	42,362
Municipal Income Taxes	892,435	0	0	892,435
Increment Tax	0	0	406,810	406,810
Accounts	0	505,933	0	505,933
Special Assessments	0	465,914	0	465,914
Loans	500,000	0	0	500,000
Intergovernmental	689,031	0	0	689,031
Assets Held for Resale	663,515	0	0	663,515
Materials and Supplies Inventory	158,355	0	0	158,355
<i>Total Assets</i>	<u>\$7,667,849</u>	<u>\$1,097,781</u>	<u>\$1,786,298</u>	<u>\$10,551,928</u>
Liabilities:				
Accounts Payable	\$115,882	\$0	\$30,856	\$146,738
Contracts Payable	64,138	0	53,721	117,859
Interfund Payable	204,000	0	0	204,000
Accrued Wages Payable	26,361	0	2,626	28,987
Intergovernmental Payable	46,214	0	1,698	47,912
Accrued Interest Payable	13,334	0	10,246	23,580
Notes Payable	2,101,662	0	1,746,050	3,847,712
<i>Total Liabilities</i>	<u>2,571,591</u>	<u>0</u>	<u>1,845,197</u>	<u>4,416,788</u>
Deferred Inflows of Resources:				
Revenue in Lieu of Taxes	0	0	406,810	406,810
Unavailable Revenue	1,198,877	971,847	0	2,170,724
<i>Total Deferred Inflows of Resources</i>	<u>1,198,877</u>	<u>971,847</u>	<u>406,810</u>	<u>2,577,534</u>
Fund Balances:				
Nonspendable	658,355	0	0	658,355
Restricted	3,812,364	125,934	459,766	4,398,064
Committed	28,537	0	230,029	258,566
Assigned	0	0	459,463	459,463
Unassigned (Deficit)	(601,875)	0	(1,614,967)	(2,216,842)
<i>Total Fund Balances (Deficit)</i>	<u>3,897,381</u>	<u>125,934</u>	<u>(465,709)</u>	<u>3,557,606</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$7,667,849</u>	<u>\$1,097,781</u>	<u>\$1,786,298</u>	<u>\$10,551,928</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	\$0	\$0	\$153,514	\$153,514
Municipal Income Taxes	2,315,830	0	10,173	2,326,003
Revenue in Lieu of Taxes	0	0	411,210	411,210
Fines, Licenses and Permits	321,533	0	165,176	486,709
Charges for Services	74,224	84,568	87,265	246,057
Investment Earnings	9,211	35,748	4,930	49,889
Intergovernmental	1,649,332	0	75,965	1,725,297
Special Assessments	0	187,020	0	187,020
Contributions and Donations	15,565	0	0	15,565
Other	149,561	0	35,279	184,840
<i>Total Revenues</i>	<u>4,535,256</u>	<u>307,336</u>	<u>943,512</u>	<u>5,786,104</u>
Expenditures:				
Current:				
General Government	61,179	1,387	310,009	372,575
Public Safety	1,422,083	0	0	1,422,083
Community Development	418,513	0	0	418,513
Transportation and Street Repair	1,186,565	0	0	1,186,565
Public Health and Welfare	118,751	0	0	118,751
Capital Outlay	1,380,168	0	1,217,254	2,597,422
Intergovernmental	0	0	235,465	235,465
Debt Service:				
Principal Retirement	270,000	208,000	180,000	658,000
Interest and Fiscal Charges	21,066	167,525	55,308	243,899
<i>Total Expenditures</i>	<u>4,878,325</u>	<u>376,912</u>	<u>1,998,036</u>	<u>7,253,273</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(343,069)</u>	<u>(69,576)</u>	<u>(1,054,524)</u>	<u>(1,467,169)</u>
Other Financing Sources (Uses):				
Special Assessment Bonds Issued	0	0	81,440	81,440
Notes Issued	500,000	0	257,515	757,515
Premium on Debt Issued	2,991	0	1,735	4,726
Transfers-In	424,395	0	584,283	1,008,678
Transfers-Out	(90,000)	0	(1,598,533)	(1,688,533)
<i>Total Other Financing Sources (Uses)</i>	<u>837,386</u>	<u>0</u>	<u>(673,560)</u>	<u>163,826</u>
<i>Net Change in Fund Balances</i>	494,317	(69,576)	(1,728,084)	(1,303,343)
<i>Fund Balances at Beginning of Year</i>	<u>3,403,064</u>	<u>195,510</u>	<u>1,262,375</u>	<u>4,860,949</u>
<i>Fund Balances at End of Year</i>	<u>\$3,897,381</u>	<u>\$125,934</u>	<u>(\$465,709)</u>	<u>\$3,557,606</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
 December 31, 2016

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Community Redevelopment Fund	Cemetery Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$979,956	\$191,318	\$172,151	\$882,772	\$30,285
Receivables:					
Municipal Income Taxes	50,515	0	0	0	0
Loans	0	0	0	500,000	0
Intergovernmental	592,298	48,012	21,493	0	0
Assets Held for Resale	0	0	15,315	579,892	0
Materials and Supplies Inventory	158,355	0	0	0	0
<i>Total Assets</i>	<u>\$1,781,124</u>	<u>\$239,330</u>	<u>\$208,959</u>	<u>\$1,962,664</u>	<u>\$30,285</u>
Liabilities:					
Accounts Payable	\$0	\$1,152	\$13,990	\$7,635	\$0
Contracts Payable	0	0	0	0	0
Interfund Payable	0	0	154,000	0	0
Accrued Wages Payable	9,794	1,039	0	0	1,005
Intergovernmental Payable	31,337	757	816	0	743
Accrued Interest Payable	412	0	0	12,543	0
Notes Payable	20,000	0	0	2,041,662	0
<i>Total Liabilities</i>	<u>61,543</u>	<u>2,948</u>	<u>168,806</u>	<u>2,061,840</u>	<u>1,748</u>
Deferred Inflows of Resources:					
Unavailable Revenue	458,214	33,046	21,493	0	0
Fund Balances:					
Nonspendable	158,355	0	0	500,000	0
Restricted	1,103,012	203,336	18,660	0	0
Committed	0	0	0	0	28,537
Unassigned (Deficit)	0	0	0	(599,176)	0
<i>Total Fund Balances (Deficit)</i>	<u>1,261,367</u>	<u>203,336</u>	<u>18,660</u>	<u>(99,176)</u>	<u>28,537</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,781,124</u>	<u>\$239,330</u>	<u>\$208,959</u>	<u>\$1,962,664</u>	<u>\$30,285</u>

Neighborhood Stabilization Fund	Neighborhood Stabilization II Fund	Community Development Block Grant 2017 Fund	Victim Witness Fund	Home Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
\$17,201	\$699	\$0	\$9,127	\$77,914	\$89,900	\$9,769
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,699	23,576	98	0	0
44,255	24,053	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$61,456</u>	<u>\$24,752</u>	<u>\$2,699</u>	<u>\$32,703</u>	<u>\$78,012</u>	<u>\$89,900</u>	<u>\$9,769</u>
\$0	\$0	\$1,050	\$564	\$3,303	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	50,000	0	0
0	0	1,392	2,855	71	0	0
0	0	257	2,081	23	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,699	5,500	53,397	0	0
0	0	2,699	0	0	0	0
0	0	0	0	0	0	0
61,456	24,752	0	27,203	24,615	89,900	9,769
0	0	0	0	0	0	0
0	0	(2,699)	0	0	0	0
<u>61,456</u>	<u>24,752</u>	<u>(2,699)</u>	<u>27,203</u>	<u>24,615</u>	<u>89,900</u>	<u>9,769</u>
<u>\$61,456</u>	<u>\$24,752</u>	<u>\$2,699</u>	<u>\$32,703</u>	<u>\$78,012</u>	<u>\$89,900</u>	<u>\$9,769</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Indigent Drivers Alcohol Treatment Fund	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$281,191	\$5,363	\$72,328	\$125,697	\$1,374
Receivables:					
Municipal Income Taxes	0	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental	0	0	855	0	0
Assets Held for Resale	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$281,191</u>	<u>\$5,363</u>	<u>\$73,183</u>	<u>\$125,697</u>	<u>\$1,374</u>
Liabilities:					
Accounts Payable	\$560	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Accrued Wages Payable	0	0	0	952	177
Intergovernmental Payable	0	0	0	665	419
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>560</u>	<u>0</u>	<u>0</u>	<u>1,617</u>	<u>596</u>
Deferred Inflows of Resources:					
Unavailable Revenue	0	0	855	0	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	280,631	5,363	72,328	124,080	778
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>280,631</u>	<u>5,363</u>	<u>72,328</u>	<u>124,080</u>	<u>778</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$281,191</u>	<u>\$5,363</u>	<u>\$73,183</u>	<u>\$125,697</u>	<u>\$1,374</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Public Safety Police/Fire Fund	Federal Emergency Management Agency	Total Nonmajor Special Revenue Funds
\$93,219	\$385,589	\$96,557	\$27,722	\$1,205,580	\$8,801	\$4,764,513
0	0	0	0	841,920	0	892,435
0	0	0	0	0	0	500,000
0	0	0	0	0	0	689,031
0	0	0	0	0	0	663,515
0	0	0	0	0	0	158,355
<u>\$93,219</u>	<u>\$385,589</u>	<u>\$96,557</u>	<u>\$27,722</u>	<u>\$2,047,500</u>	<u>\$8,801</u>	<u>\$7,667,849</u>
\$3,920	\$0	\$1,139	\$0	\$82,569	\$0	\$115,882
0	0	0	0	64,138	0	64,138
0	0	0	0	0	0	204,000
0	1,186	0	0	7,890	0	26,361
0	830	0	0	8,286	0	46,214
0	0	0	0	379	0	13,334
0	0	0	0	40,000	0	2,101,662
<u>3,920</u>	<u>2,016</u>	<u>1,139</u>	<u>0</u>	<u>203,262</u>	<u>0</u>	<u>2,571,591</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>682,570</u>	<u>0</u>	<u>1,198,877</u>
0	0	0	0	0	0	658,355
89,299	383,573	95,418	27,722	1,161,668	8,801	3,812,364
0	0	0	0	0	0	28,537
0	0	0	0	0	0	(601,875)
<u>89,299</u>	<u>383,573</u>	<u>95,418</u>	<u>27,722</u>	<u>1,161,668</u>	<u>8,801</u>	<u>3,897,381</u>
<u>\$93,219</u>	<u>\$385,589</u>	<u>\$96,557</u>	<u>\$27,722</u>	<u>\$2,047,500</u>	<u>\$8,801</u>	<u>\$7,667,849</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Community Redevelopment Fund	Cemetery Fund
Revenues:					
Municipal Income Taxes	\$132,000	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	23	19,578	35,595
Investment Earnings	7,096	1,446	0	0	0
Intergovernmental	1,130,886	91,692	222,494	0	0
Contributions and Donations	0	0	0	0	0
Other	67,653	65	1,326	7,666	782
<i>Total Revenues</i>	<u>1,337,635</u>	<u>93,203</u>	<u>223,843</u>	<u>27,244</u>	<u>36,377</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	255,350	152,471	0
Transportation and Street Repair	1,096,983	89,582	0	0	0
Public Health and Welfare	0	0	0	0	118,751
Capital Outlay	228,206	0	0	208,409	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	1,264	0	0	15,540	0
<i>Total Expenditures</i>	<u>1,326,453</u>	<u>89,582</u>	<u>255,350</u>	<u>376,420</u>	<u>118,751</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,182</u>	<u>3,621</u>	<u>(31,507)</u>	<u>(349,176)</u>	<u>(82,374)</u>
Other Financing Sources (Uses):					
Notes Issued	270,000	0	0	0	0
Premium on Debt Issued	1,549	0	0	0	0
Transfers-In	0	0	0	250,000	98,400
Transfers-Out	(50,000)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>221,549</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>98,400</u>
<i>Net Change in Fund Balances</i>	232,731	3,621	(31,507)	(99,176)	16,026
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,028,636</u>	<u>199,715</u>	<u>50,167</u>	<u>0</u>	<u>12,511</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,261,367</u>	<u>\$203,336</u>	<u>\$18,660</u>	<u>(\$99,176)</u>	<u>\$28,537</u>

Neighborhood Stabilization Fund	Neighborhood Stabilization II Fund	Community Development Block Grant 2017 Fund	Victim Witness Fund	Home Fund	Victims Assistance Justice Assistance Grant Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
3,681	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	140,145	98	10,665	0	0
0	0	0	0	0	0	15,045	0
0	650	0	939	20,986	0	26,916	3,314
<u>3,681</u>	<u>650</u>	<u>0</u>	<u>141,084</u>	<u>21,084</u>	<u>10,665</u>	<u>41,961</u>	<u>3,314</u>
0	0	0	0	0	0	0	0
0	0	0	167,107	0	42,181	6,699	0
2,500	480	2,699	0	5,013	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	2,890	0	0	32,005	3,932
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>2,500</u>	<u>480</u>	<u>2,699</u>	<u>169,997</u>	<u>5,013</u>	<u>42,181</u>	<u>38,704</u>	<u>3,932</u>
<u>1,181</u>	<u>170</u>	<u>(2,699)</u>	<u>(28,913)</u>	<u>16,071</u>	<u>(31,516)</u>	<u>3,257</u>	<u>(618)</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	43,400	0	32,595	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>43,400</u>	<u>0</u>	<u>32,595</u>	<u>0</u>	<u>0</u>
1,181	170	(2,699)	14,487	16,071	1,079	3,257	(618)
<u>60,275</u>	<u>24,582</u>	<u>0</u>	<u>12,716</u>	<u>8,544</u>	<u>(1,079)</u>	<u>86,643</u>	<u>10,387</u>
<u>\$61,456</u>	<u>\$24,752</u>	<u>(\$2,699)</u>	<u>\$27,203</u>	<u>\$24,615</u>	<u>\$0</u>	<u>\$89,900</u>	<u>\$9,769</u>

(continued)

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016
(Continued)

	Indigent Drivers Alcohol Treatment Fund	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Revenues:					
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	24,274	2,092	0	122,594	15,139
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	669	0	0
Intergovernmental	0	0	3,891	0	0
Contributions and Donations	0	0	520	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>24,274</u>	<u>2,092</u>	<u>5,080</u>	<u>122,594</u>	<u>15,139</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	66,099	0	6,928	78,147	16,011
Community Development	0	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	0	0	11,490	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>66,099</u>	<u>0</u>	<u>18,418</u>	<u>78,147</u>	<u>16,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(41,825)</u>	<u>2,092</u>	<u>(13,338)</u>	<u>44,447</u>	<u>(872)</u>
Other Financing Sources (Uses):					
Notes Issued	0	0	0	0	0
Premium on Debt Issued	0	0	0	0	0
Transfers-In	0	0	0	0	0
Transfers-Out	0	0	(20,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(41,825)</u>	<u>2,092</u>	<u>(33,338)</u>	<u>44,447</u>	<u>(872)</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>322,456</u>	<u>3,271</u>	<u>105,666</u>	<u>79,633</u>	<u>1,650</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$280,631</u>	<u>\$5,363</u>	<u>\$72,328</u>	<u>\$124,080</u>	<u>\$778</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Public Safety Police/Fire Fund	Federal Emergency Management Agency	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$2,183,830	\$0	\$2,315,830
16,304	113,399	27,731	0	0	0	321,533
0	0	0	15,347	0	0	74,224
0	0	0	0	0	0	9,211
0	0	0	0	40,660	8,801	1,649,332
0	0	0	0	0	0	15,565
0	0	0	0	19,264	0	149,561
<u>16,304</u>	<u>113,399</u>	<u>27,731</u>	<u>15,347</u>	<u>2,243,754</u>	<u>8,801</u>	<u>4,535,256</u>
3,000	58,179	0	0	0	0	61,179
3,920	0	42,411	0	992,580	0	1,422,083
0	0	0	0	0	0	418,513
0	0	0	0	0	0	1,186,565
0	0	0	0	0	0	118,751
9,127	15,814	0	0	868,295	0	1,380,168
0	0	0	0	270,000	0	270,000
0	0	0	0	4,262	0	21,066
<u>16,047</u>	<u>73,993</u>	<u>42,411</u>	<u>0</u>	<u>2,135,137</u>	<u>0</u>	<u>4,878,325</u>
<u>257</u>	<u>39,406</u>	<u>(14,680)</u>	<u>15,347</u>	<u>108,617</u>	<u>8,801</u>	<u>(343,069)</u>
0	0	0	0	230,000	0	500,000
0	0	0	0	1,442	0	2,991
0	0	0	0	0	0	424,395
0	0	0	0	(20,000)	0	(90,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>211,442</u>	<u>0</u>	<u>837,386</u>
257	39,406	(14,680)	15,347	320,059	8,801	494,317
<u>89,042</u>	<u>344,167</u>	<u>110,098</u>	<u>12,375</u>	<u>841,609</u>	<u>0</u>	<u>3,403,064</u>
<u>\$89,299</u>	<u>\$383,573</u>	<u>\$95,418</u>	<u>\$27,722</u>	<u>\$1,161,668</u>	<u>\$8,801</u>	<u>\$3,897,381</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$253,452	\$482,231	\$105,798
Receivables:			
Other Local Taxes	0	0	42,362
Increment Tax	0	0	0
<i>Total Assets</i>	<u>\$253,452</u>	<u>\$482,231</u>	<u>\$148,160</u>
Liabilities:			
Accounts Payable	\$0	\$16,986	\$2,100
Contracts Payable	0	5,782	0
Accrued Wages Payable	2,626	0	0
Intergovernmental Payable	1,698	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>4,324</u>	<u>22,768</u>	<u>2,100</u>
Deferred Inflows of Resources:			
Payment in Lieu of Taxes	0	0	0
Fund Balances:			
Restricted	249,128	0	0
Committed	0	0	146,060
Assigned	0	459,463	0
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>249,128</u>	<u>459,463</u>	<u>146,060</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$253,452</u>	<u>\$482,231</u>	<u>\$148,160</u>

Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	I-675 Corridor TIF Fund	Total Nonmajor Capital Projects Funds
\$163,682	\$173,497	\$155,032	\$3,434	\$1,337,126
0	0	0	0	42,362
0	406,810	0	0	406,810
<u>\$163,682</u>	<u>\$580,307</u>	<u>\$155,032</u>	<u>\$3,434</u>	<u>\$1,786,298</u>
\$11,770	\$0	\$0	\$0	\$30,856
0	0	47,939	0	53,721
0	0	0	0	2,626
0	0	0	0	1,698
458	0	405	9,383	10,246
67,485	0	69,547	1,609,018	1,746,050
<u>79,713</u>	<u>0</u>	<u>117,891</u>	<u>1,618,401</u>	<u>1,845,197</u>
0	406,810	0	0	406,810
0	173,497	37,141	0	459,766
83,969	0	0	0	230,029
0	0	0	0	459,463
0	0	0	(1,614,967)	(1,614,967)
<u>83,969</u>	<u>173,497</u>	<u>37,141</u>	<u>(1,614,967)</u>	<u>(465,709)</u>
<u>\$163,682</u>	<u>\$580,307</u>	<u>\$155,032</u>	<u>\$3,434</u>	<u>\$1,786,298</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016

	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund	Public Safety Equipment/ Facility Fund
Revenues:				
Other Local Taxes	\$0	\$0	\$153,514	\$0
Municipal Income Taxes	0	0	0	10,173
Revenue in Lieu of Taxes	0	0	0	0
Fines, Licenses and Permits	165,176	0	0	0
Charges for Services	0	0	19,988	6,178
Investment Earnings	0	3,135	1,232	563
Intergovernmental	0	0	75,965	0
Other	0	0	30,063	0
<i>Total Revenues</i>	<u>165,176</u>	<u>3,135</u>	<u>280,762</u>	<u>16,914</u>
Expenditures:				
Current:				
General Government	122,852	68,452	0	22,894
Capital Outlay	12,251	111,983	198,552	307,147
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	419	0	0
<i>Total Expenditures</i>	<u>135,103</u>	<u>180,854</u>	<u>198,552</u>	<u>330,041</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>30,073</u>	<u>(177,719)</u>	<u>82,210</u>	<u>(313,127)</u>
Other Financing Sources (Uses):				
Special Assessment Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Premium on Debt Issued	0	0	0	0
Transfers-In	0	217,713	0	0
Transfers-Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>217,713</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	30,073	39,994	82,210	(313,127)
<i>Fund Balances at Beginning of Year</i>	<u>219,055</u>	<u>419,469</u>	<u>63,850</u>	<u>313,127</u>
<i>Fund Balances at End of Year</i>	<u>\$249,128</u>	<u>\$459,463</u>	<u>\$146,060</u>	<u>\$0</u>

Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	I-675 Corridor TIF Fund	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$153,514
0	0	0	0	10,173
0	411,210	0	0	411,210
0	0	0	0	165,176
0	0	61,099	0	87,265
0	0	0	0	4,930
0	0	0	0	75,965
5,216	0	0	0	35,279
<u>5,216</u>	<u>411,210</u>	<u>61,099</u>	<u>0</u>	<u>943,512</u>
77,565	1,112	11,872	5,262	310,009
411,335	0	175,986	0	1,217,254
0	235,465	0	0	235,465
95,000	85,000	0	0	180,000
5,925	32,138	5,654	11,172	55,308
<u>589,825</u>	<u>353,715</u>	<u>193,512</u>	<u>16,434</u>	<u>1,998,036</u>
<u>(584,609)</u>	<u>57,495</u>	<u>(132,413)</u>	<u>(16,434)</u>	<u>(1,054,524)</u>
0	0	81,440	0	81,440
257,515	0	0	0	257,515
1,735	0	0	0	1,735
366,570	0	0	0	584,283
0	0	0	(1,598,533)	(1,598,533)
<u>625,820</u>	<u>0</u>	<u>81,440</u>	<u>(1,598,533)</u>	<u>(673,560)</u>
41,211	57,495	(50,973)	(1,614,967)	(1,728,084)
42,758	116,002	88,114	0	1,262,375
<u>\$83,969</u>	<u>\$173,497</u>	<u>\$37,141</u>	<u>(\$1,614,967)</u>	<u>(\$465,709)</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department to other departments within the City.

Equipment Fund

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

Information Technology Fund

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

Employee Assistance Program Fund

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

Jefferson Health Plan Fund

To account for and report the operation of the City's self-insurance program for employee health benefits and prescription drugs. This fund was not budgeted for 2016, therefore no budgetary statement is presented.

City of Fairborn, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2016

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$146,170	\$204,521	\$145,257	\$585,674	\$1,081,622
Materials and Supplies Inventory	92,889	0	0	0	92,889
<i>Total Current Assets</i>	239,059	204,521	145,257	585,674	1,174,511
Non-current Assets					
Depreciable Capital Assets, Net	97,230	108,172	0	0	205,402
<i>Total Assets</i>	336,289	312,693	145,257	585,674	1,379,913
Deferred Outflows of Resources:					
Pension	161,799	121,349	0	0	283,148
Liabilities:					
Current Liabilities					
Accounts Payable	40,654	4,477	0	0	45,131
Claims Payable	0	0	0	164,084	164,084
Accrued Wages Payable	6,888	5,233	0	0	12,121
Intergovernmental Payable	5,047	4,015	0	0	9,062
Capital Lease Payable	6,907	0	0	0	6,907
Compensated Absences Payable	34,225	8,175	0	0	42,400
<i>Total Current Liabilities</i>	93,721	21,900	0	164,084	279,705
Long-Term Liabilities					
Claims Payable	0	0	0	320,048	320,048
Capital Lease Payable	3,544	0	0	0	3,544
Compensated Absences Payable	10,375	610	0	0	10,985
Net Pension Liability	419,390	314,542	0	0	733,932
<i>Total Long-Term Liabilities</i>	433,309	315,152	0	320,048	1,068,509
<i>Total Liabilities</i>	527,030	337,052	0	484,132	1,348,214
Deferred Inflows of Resources:					
Pension	8,386	6,290	0	0	14,676
Net Position:					
Net Investment in Capital Assets	86,779	108,172	0	0	194,951
Unrestricted (Deficit)	(124,107)	(17,472)	145,257	101,542	105,220
<i>Total Net Position</i>	(\$37,328)	\$90,700	\$145,257	\$101,542	\$300,171

City of Fairborn, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2016

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Operating Revenues:					
Charges for Services	\$1,106,886	\$641,437	\$0	\$3,517,918	\$5,266,241
Other	21	0	3,111	0	3,132
<i>Total Operating Revenues</i>	<u>1,106,907</u>	<u>641,437</u>	<u>3,111</u>	<u>3,517,918</u>	<u>5,269,373</u>
Operating Expenses:					
Personal Services	516,404	354,665	3,121	0	874,190
Contractual Services	62,517	202,491	4,260	757,903	1,027,171
Materials and Supplies	613,813	7,967	0	0	621,780
Claims	0	0	0	2,751,056	2,751,056
Depreciation	18,711	28,533	0	0	47,244
<i>Total Operating Expenses</i>	<u>1,211,445</u>	<u>593,656</u>	<u>7,381</u>	<u>3,508,959</u>	<u>5,321,441</u>
<i>Operating Income (Loss)</i>	<u>(104,538)</u>	<u>47,781</u>	<u>(4,270)</u>	<u>8,959</u>	<u>(52,068)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	0	0	1,143	5,998	7,141
Interest and Fiscal Charges	(549)	0	0	0	(549)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(549)</u>	<u>0</u>	<u>1,143</u>	<u>5,998</u>	<u>6,592</u>
<i>Income (Loss) Before Transfers</i>	<u>(105,087)</u>	<u>47,781</u>	<u>(3,127)</u>	<u>14,957</u>	<u>(45,476)</u>
Transfers - In	25,000	0	0	0	25,000
<i>Change in Net Position</i>	<u>(80,087)</u>	<u>47,781</u>	<u>(3,127)</u>	<u>14,957</u>	<u>(20,476)</u>
<i>Net Position at Beginning of Year</i>	<u>42,759</u>	<u>42,919</u>	<u>148,384</u>	<u>86,585</u>	<u>320,647</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>(\$37,328)</u></u>	<u><u>\$90,700</u></u>	<u><u>\$145,257</u></u>	<u><u>\$101,542</u></u>	<u><u>\$300,171</u></u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received From Interfund Services Provided	\$1,133,999	\$641,421	\$0	\$3,517,918	\$5,293,338
Cash Received From Other Operating Revenues	21	0	3,111	0	3,132
Cash Payments for Claims	0	0	0	(2,521,957)	(2,521,957)
Cash Payments for Employee Services and Benefits	(514,682)	(343,408)	(3,121)	0	(861,211)
Cash Payments to Suppliers	(648,026)	(216,153)	(4,260)	(757,903)	(1,626,342)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(28,688)	81,860	(4,270)	238,058	286,960
Cash Flows from Noncapital Financing Activities:					
Transfers - In	25,000	0	0	0	25,000
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	0	(30,266)	0	0	(30,266)
Capital Lease Principal Payments	(6,668)	0	0	0	(6,668)
Capital Lease Interest Payments	(549)	0	0	0	(549)
<i>Net Cash Used for Capital and Related Financing Activities</i>	(7,217)	(30,266)	0	0	(37,483)
Cash Flows from Investing Activities:					
Interest	0	0	1,143	5,998	7,141
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(10,905)	51,594	(3,127)	244,056	281,618
<i>Cash and Cash Equivalents at Beginning of Year</i>	157,075	152,927	148,384	341,618	800,004
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$146,170</u>	<u>\$204,521</u>	<u>\$145,257</u>	<u>\$585,674</u>	<u>\$1,081,622</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(\$104,538)	\$47,781	(\$4,270)	\$8,959	(\$52,068)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	18,711	28,533	0	0	47,244
Changes in Assets and Liabilities:					
Decrease in Materials and Supplies Inventory	6,781	0	0	0	6,781
Decrease in Interfund Receivable	27,113	0	0	0	27,113
Decrease in Deferred Outflows of Resources - Pension	29,353	22,015	0	0	51,368
Increase (Decrease) in Accounts Payable	21,523	(5,695)	0	0	15,828
Increase in Claims Payable	0	0	0	229,099	229,099
Increase in Accrued Wages Payable	1,641	1,782	0	0	3,423
(Decrease) in Intergovernmental Payable	(2,373)	(1,064)	0	0	(3,437)
(Decrease) in Interfund Payable	0	(16)	0	0	(16)
(Decrease) in Compensated Absences Payable	(17,617)	(4,516)	0	0	(22,133)
(Decrease) in Net Pension Liability	(4,320)	(3,239)	0	0	(7,559)
(Decrease) in Deferred Inflows of Resources - Pension	(4,962)	(3,721)	0	0	(8,683)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$28,688)</u>	<u>\$81,860</u>	<u>(\$4,270)</u>	<u>\$238,058</u>	<u>\$286,960</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Agency Funds

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

Municipal Court Fund

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

Fire Loss Escrow Fund

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

City of Fairborn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016

	Balance at 12/31/2015	Additions	Reductions	Balance at 12/31/2016
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$267,403	\$3,777,757	\$3,851,110	\$194,050
Liabilities:				
Undistributed Monies	\$267,403	\$3,777,757	\$3,851,110	\$194,050
<u>Fire Loss Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$18,000	\$0	\$18,000
Liabilities:				
Undistributed Monies	\$0	\$18,000	\$0	\$18,000
<u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$267,403	\$3,795,757	\$3,851,110	\$212,050
Liabilities:				
Undistributed Monies	\$267,403	\$3,795,757	\$3,851,110	\$212,050

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$820,384	\$820,384	\$0
Other Local Taxes	693,738	701,710	7,972
Municipal Income Taxes	8,653,135	8,682,103	28,968
Fines, Licenses and Permits	1,236,414	1,233,128	(3,286)
Charges for Services	3,713,991	3,459,202	(254,789)
Investment Earnings	178,512	219,845	41,333
Intergovernmental	1,063,375	1,077,295	13,920
Other	184,318	230,457	46,139
<i>Total Revenues</i>	<u>16,543,867</u>	<u>16,424,124</u>	<u>(119,743)</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	125,492	124,565	927
Contractual Services	111,348	106,766	4,582
Materials and Supplies	6,344	6,344	0
<i>Total City Council</i>	<u>243,184</u>	<u>237,675</u>	<u>5,509</u>
Municipal Court			
Personal Services	1,724,836	1,699,827	25,009
Contractual Services	306,629	283,062	23,567
Materials and Supplies	40,586	32,984	7,602
<i>Total Municipal Court</i>	<u>2,072,051</u>	<u>2,015,873</u>	<u>56,178</u>
Jail Diversion Grant			
Personal Services	42,839	39,812	3,027
Contractual Services	20,666	20,666	0
<i>Total Jail Diversion Grant</i>	<u>63,505</u>	<u>60,478</u>	<u>3,027</u>
City Manager's Office			
Personal Services	373,110	370,589	2,521
Contractual Services	48,501	24,501	24,000
Materials and Supplies	4,844	4,722	122
<i>Total City Manager's Office</i>	<u>426,455</u>	<u>399,812</u>	<u>26,643</u>
Administration and General Accounting			
Personal Services	562,670	551,110	11,560
Contractual Services	67,837	49,055	18,782
Materials and Supplies	5,344	5,175	169
<i>Total Administration and General Accounting</i>	<u>635,851</u>	<u>605,340</u>	<u>30,511</u>
Utilities Accounting			
Personal Services	239,190	237,841	1,349
Contractual Services	125,411	125,396	15
Materials and Supplies	14,671	14,670	1
<i>Total Utilities Accounting</i>	<u>\$379,272</u>	<u>\$377,907</u>	<u>\$1,365</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2016
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Income Tax Accounting			
Personal Services	\$131,830	\$127,721	\$4,109
Contractual Services	475,993	471,406	4,587
Materials and Supplies	9,650	9,595	55
<i>Total City Income Tax Accounting</i>	<u>617,473</u>	<u>608,722</u>	<u>8,751</u>
Legal Department			
Personal Services	232,711	225,507	7,204
Contractual Services	50,800	37,535	13,265
Materials and Supplies	5,000	2,580	2,420
<i>Total Legal Department</i>	<u>288,511</u>	<u>265,622</u>	<u>22,889</u>
Personnel Department			
Personal Services	131,040	130,408	632
Contractual Services	186,009	186,009	0
Materials and Supplies	8,939	6,439	2,500
<i>Total Personnel Department</i>	<u>325,988</u>	<u>322,856</u>	<u>3,132</u>
Engineering and Drafting			
Personal Services	450,340	418,537	31,803
Contractual Services	27,371	24,838	2,533
Materials and Supplies	10,347	9,845	502
<i>Total Engineering and Drafting</i>	<u>488,058</u>	<u>453,220</u>	<u>34,838</u>
Plant Maintenance			
Personal Services	397,644	349,600	48,044
Contractual Services	148,605	141,777	6,828
Materials and Supplies	87,839	87,781	58
<i>Total Plant Maintenance</i>	<u>634,088</u>	<u>579,158</u>	<u>54,930</u>
Contingency			
Personal Services	70,885	55,087	15,798
Contractual Services	1,295,487	1,285,072	10,415
Materials and Supplies	13,700	13,700	0
<i>Total Contingency</i>	<u>1,380,072</u>	<u>1,353,859</u>	<u>26,213</u>
<i>Total General Government</i>	<u>7,554,508</u>	<u>7,280,522</u>	<u>273,986</u>
Leisure Time Activities			
Parks and Recreation			
Personal Services	186,986	176,090	10,896
Contractual Services	68,167	64,964	3,203
Materials and Supplies	43,713	41,860	1,853
<i>Total Leisure Time Activities</i>	<u>\$298,866</u>	<u>\$282,914</u>	<u>\$15,952</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2016
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Development			
Community Development Urban Planner			
Personal Services	\$483,367	\$417,682	\$65,685
Contractual Services	241,666	236,667	4,999
Materials and Supplies	7,843	7,842	1
<i>Total Community Development Urban Planner</i>	<u>732,876</u>	<u>662,191</u>	<u>70,685</u>
Building Inspection and Zoning Enforcement			
Personal Services	348,524	343,209	5,315
Contractual Services	51,401	50,609	792
Materials and Supplies	9,857	9,810	47
<i>Total Building Inspection and Zoning Enforcement</i>	<u>409,782</u>	<u>403,628</u>	<u>6,154</u>
Economic Development			
Personal Services	188,051	184,988	3,063
Contractual Services	455,684	413,107	42,577
Materials and Supplies	6,875	6,575	300
<i>Total Economic Development</i>	<u>650,610</u>	<u>604,670</u>	<u>45,940</u>
<i>Total Community Development</i>	<u>1,793,268</u>	<u>1,670,489</u>	<u>122,779</u>
Capital Outlay	<u>234,938</u>	<u>234,812</u>	<u>126</u>
Debt Service:			
Interest and Fiscal Charges	10	4	6
<i>Total Expenditures</i>	<u>9,881,590</u>	<u>9,468,741</u>	<u>412,849</u>
<i>Excess of Revenues Over Expenditures</i>	<u>6,662,277</u>	<u>6,955,383</u>	<u>293,106</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	0	3,560	3,560
Notes Issued	0	1,200	1,200
Premium on Debt Issued	0	8	8
Advances-In	169,000	90,000	(79,000)
Advances-Out	(100,000)	(50,000)	50,000
Transfers-Out	(7,633,200)	(7,603,678)	29,522
<i>Total Other Financing Sources (Uses)</i>	<u>(7,564,200)</u>	<u>(7,558,910)</u>	<u>5,290</u>
<i>Net Change in Fund Balance</i>	(901,923)	(603,527)	298,396
<i>Fund Balance at Beginning of Year</i>	9,173,081	9,173,081	0
<i>Prior Year Encumbrances Appropriated</i>	625,024	625,024	0
<i>Fund Balance at End of Year</i>	<u>\$8,896,182</u>	<u>\$9,194,578</u>	<u>\$298,396</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,120,628	\$2,162,843	\$42,215
Fines, Licenses and Permits	1,200	1,960	760
Charges for Services	1,898,079	1,891,457	(6,622)
Intergovernmental	282,159	282,173	14
Other	6,000	7,267	1,267
<i>Total Revenues</i>	<u>4,308,066</u>	<u>4,345,700</u>	<u>37,634</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	280,942	251,194	29,748
Contractual Services	500,427	496,565	3,862
Materials and Supplies	33,104	32,827	277
<i>Total Fire Administrative Services</i>	<u>814,473</u>	<u>780,586</u>	<u>33,887</u>
Fire Life Safety			
Personal Services	123,798	120,730	3,068
Contractual Services	595	595	0
Materials and Supplies	4,900	4,900	0
<i>Total Fire Life Safety</i>	<u>129,293</u>	<u>126,225</u>	<u>3,068</u>
Fire Operations			
Personal Services	5,717,211	5,637,869	79,342
Contractual Services	98,790	98,763	27
Materials and Supplies	196,082	195,728	354
<i>Total Fire Operations</i>	<u>6,012,083</u>	<u>5,932,360</u>	<u>79,723</u>
Training			
Personal Services	134,371	120,913	13,458
Contractual Services	3,955	3,955	0
Materials and Supplies	2,500	2,500	0
<i>Total Training</i>	<u>140,826</u>	<u>127,368</u>	<u>13,458</u>
<i>Total Expenditures</i>	<u>7,096,675</u>	<u>6,966,539</u>	<u>130,136</u>
<i>Excess of Revenues Under Expenditures</i>	(2,788,609)	(2,620,839)	167,770
Other Financing Sources:			
Transfers-In	2,400,000	2,400,000	0
<i>Net Change in Fund Balance</i>	(388,609)	(220,839)	167,770
<i>Fund Balance at Beginning of Year</i>	305,684	305,684	0
<i>Prior Year Encumbrances Appropriated</i>	189,381	189,381	0
<i>Fund Balance at End of Year</i>	<u>\$106,456</u>	<u>\$274,226</u>	<u>\$167,770</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,120,628	\$2,162,843	\$42,215
Fines, Licenses and Permits	1,718	3,160	1,442
Charges for Services	73,893	64,167	(9,726)
Intergovernmental	476,785	455,713	(21,072)
Other	5,675	11,237	5,562
<i>Total Revenues</i>	<u>2,678,699</u>	<u>2,697,120</u>	<u>18,421</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	820,441	804,300	16,141
Contractual Services	510,706	473,895	36,811
Materials and Supplies	45,087	44,187	900
<i>Total Police Administrative Services</i>	<u>1,376,234</u>	<u>1,322,382</u>	<u>53,852</u>
Police Dispatch			
Personal Services	817,135	779,145	37,990
Contractual Services	84,618	74,618	10,000
<i>Total Police Dispatch</i>	<u>901,753</u>	<u>853,763</u>	<u>47,990</u>
Police Detective Section			
Personal Services	582,499	575,453	7,046
Contractual Services	7,695	7,683	12
Materials and Supplies	15,700	15,395	305
<i>Total Police Detective Section</i>	<u>605,894</u>	<u>598,531</u>	<u>7,363</u>
Police Patrol Section			
Personal Services	3,817,847	3,592,017	225,830
Contractual Services	11,744	11,671	73
Materials and Supplies	138,570	138,434	136
<i>Total Police Patrol Section</i>	<u>3,968,161</u>	<u>3,742,122</u>	<u>226,039</u>
D.A.R.E.			
Personal Services	224,326	218,475	5,851
Contractual Services	105	0	105
<i>Total D.A.R.E.</i>	<u>224,431</u>	<u>218,475</u>	<u>5,956</u>
<i>Total Expenditures</i>	<u>7,076,473</u>	<u>6,735,273</u>	<u>341,200</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$4,397,774)</u>	<u>(\$4,038,153)</u>	<u>\$359,621</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2016
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources:			
Proceeds from the Sale of Capital Assets	\$0	\$11,710	\$11,710
Transfers-In	4,260,000	4,260,000	0
<i>Total Other Financing Sources</i>	4,260,000	4,271,710	11,710
<i>Net Change in Fund Balance</i>	(137,774)	233,557	371,331
<i>Fund Balance at Beginning of Year</i>	374,784	374,784	0
<i>Prior Year Encumbrances Appropriated</i>	111,420	111,420	0
<i>Fund Balance at End of Year</i>	\$348,430	\$719,761	\$371,331

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,035,325	\$2,038,460	\$3,135
Fines, Licenses and Permits	31,921	31,921	0
Investment Earnings	25,600	28,509	2,909
Intergovernmental	889,368	904,166	14,798
Other	22,569	24,012	1,443
<i>Total Revenues</i>	<u>3,004,783</u>	<u>3,027,068</u>	<u>22,285</u>
Expenditures:			
Current:			
Transportation and Street Repair Administration			
Contractual Services	5,632	5,346	286
Materials and Supplies	78,835	63,835	15,000
<i>Total Administration</i>	84,467	69,181	15,286
Spangler Road Improvements Contractual Services	400	0	400
Xenia DR RR Crossing Water Main Contractual Services	3,285	2,696	589
Dayton Drive Design Contractual Services	73,497	73,497	0
I-675/DYS Interchange Improvement Contractual Services	119,999	119,999	0
Col Glenn Hwy/Kauffman Contractual Services	51,014	0	51,014
Col Glenn Hwy Phase II Contractual Services	128,204	128,204	0
Design Row Ohio/Wright St Contractual Services	17,414	17,414	0
Waterford Landing Inspection Services Contractual Services	17,203	17,203	0
Street Tax Levy Contractual Services	203,083	201,097	1,986
<i>Total Transportation and Street Repair</i>	698,566	629,291	69,275
Capital Outlay	4,114,832	3,835,275	279,557
Debt Service:			
Interest and Fiscal Charges	793	433	360
<i>Total Expenditures</i>	<u>\$4,814,191</u>	<u>\$4,464,999</u>	<u>\$349,192</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2016
(continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Under Expenditures</i>	<u>(\$1,809,408)</u>	<u>(\$1,437,931)</u>	<u>\$371,477</u>
Other Financing Sources:			
Notes Issued	132,283	132,283	0
Proceeds of OPWC Loans	334,832	334,832	0
Premium on Debt Issued	<u>900</u>	<u>925</u>	<u>25</u>
<i>Total Other Financing Sources</i>	<u>468,015</u>	<u>468,040</u>	<u>25</u>
<i>Net Change in Fund Balance</i>	(1,341,393)	(969,891)	371,502
<i>Fund Balance at Beginning of Year</i>	1,709,838	1,709,838	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,478,134</u>	<u>1,478,134</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,846,579</u>	<u>\$2,218,081</u>	<u>\$371,502</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$4,388,967	\$4,159,337	(\$229,630)
Tap-In Fees	50,000	52,330	2,330
Investment Earnings	30,800	32,979	2,179
Notes Issued	3,550,879	3,550,879	0
Proceeds of OPWC Loans	1,449	1,449	0
Premium on Debt Issued	19,665	19,665	0
Other	99,410	138,564	39,154
<i>Total Revenues</i>	<u>8,141,170</u>	<u>7,955,203</u>	<u>(185,967)</u>
Expenses:			
Personal Services	1,374,109	1,293,231	80,878
Contractual Services	1,867,791	1,772,174	95,617
Materials and Supplies	309,663	301,691	7,972
Capital Outlay	5,866,257	5,763,994	102,263
Debt Service:			
Principal Retirement	280,903	280,903	0
Interest and Fiscal Charges	104,908	104,903	5
<i>Total Expenses</i>	<u>9,803,631</u>	<u>9,516,896</u>	<u>286,735</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(1,662,461)	(1,561,693)	100,768
Transfers-Out	(1,471,980)	0	1,471,980
<i>Net Change in Fund Equity</i>	(3,134,441)	(1,561,693)	1,572,748
<i>Fund Equity at Beginning of Year</i>	3,751,231	3,751,231	0
<i>Prior Year Encumbrances Appropriated</i>	576,971	576,971	0
<i>Fund Equity at End of Year</i>	<u>\$1,193,761</u>	<u>\$2,766,509</u>	<u>\$1,572,748</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$7,072,353	\$6,620,589	(\$451,764)
Tap-In Fees	41,000	43,110	2,110
Investment Earnings	32,100	38,437	6,337
Notes Issued	3,996,368	3,996,368	0
Premium on Debt Issued	21,787	21,787	0
Other	0	5,844	5,844
<i>Total Revenues</i>	<u>11,163,608</u>	<u>10,726,135</u>	<u>(437,473)</u>
Expenses:			
Personal Services	1,381,834	1,316,407	65,427
Contractual Services	3,064,806	2,917,389	147,417
Materials and Supplies	383,113	374,506	8,607
Capital Outlay	12,079,818	11,499,962	579,856
Debt Service:			
Principal Retirement	3,113,700	3,113,700	0
Interest and Fiscal Charges	409,311	409,311	0
<i>Total Expenses</i>	<u>20,432,582</u>	<u>19,631,275</u>	<u>801,307</u>
<i>Net Change in Fund Equity</i>	(9,268,974)	(8,905,140)	363,834
<i>Fund Equity at Beginning of Year</i>	7,928,145	7,928,145	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,193,672</u>	<u>5,193,672</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$3,852,843</u></u>	<u><u>\$4,216,677</u></u>	<u><u>\$363,834</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sanitation Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,775,334	\$2,787,207	\$11,873
Other	200	215	15
<i>Total Revenues</i>	<u>2,775,534</u>	<u>2,787,422</u>	<u>11,888</u>
Expenses:			
Personal Services	168,722	157,559	11,163
Contractual Services	2,897,848	2,891,623	6,225
Materials and Supplies	20,834	9,034	11,800
Capital Outlay	254,705	252,486	2,219
<i>Total Expenses</i>	<u>3,342,109</u>	<u>3,310,702</u>	<u>31,407</u>
<i>Net Change in Fund Equity</i>	(566,575)	(523,280)	43,295
<i>Fund Equity at Beginning of Year</i>	882,323	882,323	0
<i>Prior Year Encumbrances Appropriated</i>	<u>195,884</u>	<u>195,884</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$511,632</u></u>	<u><u>\$554,927</u></u>	<u><u>\$43,295</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Maintenance and Repair Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$132,000	\$132,000	\$0
Investment Earnings	4,600	7,096	2,496
Intergovernmental	1,140,000	1,120,435	(19,565)
Other	116,000	67,653	(48,347)
<i>Total Revenues</i>	<u>1,392,600</u>	<u>1,327,184</u>	<u>(65,416)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	82,263	74,758	7,505
Contractual Services	159,470	150,408	9,062
Materials and Supplies	3,400	2,591	809
<i>Total General Street Administration</i>	<u>245,133</u>	<u>227,757</u>	<u>17,376</u>
Maintenance and Repairs			
Personal Services	505,159	451,690	53,469
Contractual Services	6,281	5,261	1,020
Materials and Supplies	201,905	179,334	22,571
<i>Total Maintenance and Repairs</i>	<u>713,345</u>	<u>636,285</u>	<u>77,060</u>
Traffic Signs and Signals			
Personal Services	222,906	215,445	7,461
Contractual Services	31,082	30,943	139
Materials and Supplies	41,495	35,095	6,400
<i>Total Traffic Signs and Signals</i>	<u>295,483</u>	<u>281,483</u>	<u>14,000</u>
<i>Total Transportation and Street Repair</i>	<u>1,253,961</u>	<u>1,145,525</u>	<u>108,436</u>
Capital Outlay	380,479	367,846	12,633
Debt Service			
Interest and Fiscal Charges	3,000	852	2,148
<i>Total Expenditures</i>	<u>1,637,440</u>	<u>1,514,223</u>	<u>123,217</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(244,840)</u>	<u>(187,039)</u>	<u>57,801</u>
Other Financing Sources (Uses):			
Notes Issued	290,000	290,000	0
Premium on Debt Issued	6,000	1,549	(4,451)
Transfers Out	(50,000)	(50,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>246,000</u>	<u>241,549</u>	<u>(4,451)</u>
<i>Net Change in Fund Balance</i>	1,160	54,510	53,350
<i>Fund Balance at Beginning of Year</i>	678,257	678,257	0
<i>Prior Year Encumbrances Appropriated</i>	42,513	42,513	0
<i>Fund Balance at End of Year</i>	<u>\$721,930</u>	<u>\$775,280</u>	<u>\$53,350</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Highway Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$1,000	\$1,446	\$446
Intergovernmental	89,120	90,846	1,726
Other	0	65	65
<i>Total Revenues</i>	<u>90,120</u>	<u>92,357</u>	<u>2,237</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	77,557	75,435	2,122
Contractual Services	7,590	5,267	2,323
Materials and Supplies	16,727	14,758	1,969
<i>Total Expenditures</i>	<u>101,874</u>	<u>95,460</u>	<u>6,414</u>
<i>Net Change in Fund Balance</i>	(11,754)	(3,103)	8,651
<i>Fund Balance at Beginning of Year</i>	183,654	183,654	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,668</u>	<u>3,668</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$175,568</u>	<u>\$184,219</u>	<u>\$8,651</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$46	\$23	(\$23)
Intergovernmental	236,000	266,418	30,418
Other	2,600	1,326	(1,274)
<i>Total Revenues</i>	<u>238,646</u>	<u>267,767</u>	<u>29,121</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	30,174	25,744	4,430
Contractual Services	27,056	26,874	182
Materials and Supplies	1,730	1,680	50
<i>Total Entitlement Administration</i>	<u>58,960</u>	<u>54,298</u>	<u>4,662</u>
Code Enforcement			
Personal Services	84,945	82,505	2,440
Contractual Services	6,305	6,305	0
Materials and Supplies	1,845	1,845	0
<i>Total Code Enforcement</i>	<u>93,095</u>	<u>90,655</u>	<u>2,440</u>
Entitlement Fair Housing			
Personal Services	4,400	2,447	1,953
Materials and Supplies	3,978	3,978	0
<i>Total Entitlement Fair Housing</i>	<u>8,378</u>	<u>6,425</u>	<u>1,953</u>
Neighborhood Betterment			
Contractual Services	3,668	3,668	0
Community Developmental Home Repair			
Personal Services	30,411	23,678	6,733
Contractual Services	120,467	118,116	2,351
<i>Total Community Developmental Home Repair</i>	<u>150,878</u>	<u>141,794</u>	<u>9,084</u>
<i>Total Expenditures</i>	<u>314,979</u>	<u>296,840</u>	<u>18,139</u>
<i>Net Change in Fund Balance</i>	(76,333)	(29,073)	47,260
<i>Fund Balance at Beginning of Year</i>	98,030	98,030	0
<i>Prior Year Encumbrances Appropriated</i>	<u>51,690</u>	<u>51,690</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$73,387</u></u>	<u><u>\$120,647</u></u>	<u><u>\$47,260</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Redevelopment Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$18,910	\$19,578	\$668
Other	0	7,666	7,666
<i>Total Revenues</i>	<u>18,910</u>	<u>27,244</u>	<u>8,334</u>
Expenditures:			
Current:			
Community Development			
Neighborhood Betterment			
Contractual Services	228,290	228,290	0
Broad Street Corridor			
Contractual Services	32,250	32,250	0
Tangible Solutions			
Contractual Services	<u>505,000</u>	<u>505,000</u>	<u>0</u>
<i>Total Community Development</i>	765,540	765,540	0
Capital Outlay	1,039,230	1,029,166	10,064
Debt Service			
Interest and Fiscal Charges	<u>7,656</u>	<u>7,628</u>	<u>28</u>
<i>Total Expenditures</i>	<u>1,812,426</u>	<u>1,802,334</u>	<u>10,092</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,793,516)</u>	<u>(1,775,090)</u>	<u>18,426</u>
Other Financing Sources:			
Notes Issued	2,025,000	2,025,000	0
Premium on Debt Issued	21,293	21,293	0
Transfers-In	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>2,296,293</u>	<u>2,296,293</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	502,777	521,203	18,426
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$502,777</u></u>	<u><u>\$521,203</u></u>	<u><u>\$18,426</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cemetery Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$30,100	\$35,595	\$5,495
Other	50	782	732
<i>Total Revenues</i>	<u>30,150</u>	<u>36,377</u>	<u>6,227</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	93,560	90,645	2,915
Contractual Services	24,742	21,715	3,027
Materials and Supplies	14,327	13,698	629
<i>Total Expenditures</i>	<u>132,629</u>	<u>126,058</u>	<u>6,571</u>
<i>Excess of Revenues Under Expenditures</i>	(102,479)	(89,681)	12,798
Other Financing Sources:			
Transfers-In	98,400	98,400	0
<i>Net Change in Fund Balance</i>	(4,079)	8,719	12,798
<i>Fund Balance at Beginning of Year</i>	9,976	9,976	0
<i>Prior Year Encumbrances Appropriated</i>	5,170	5,170	0
<i>Fund Balance at End of Year</i>	<u>\$11,067</u>	<u>\$23,865</u>	<u>\$12,798</u>

City of Fairborn, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Non-GAAP Basis)
 Neighborhood Stabilization Fund
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$35,473	\$3,681	(\$31,792)
Expenditures:			
Current:			
Community Development Neighborhood Stabilization Program Contractual Services	2,700	2,500	200
<i>Net Change in Fund Balance</i>	32,773	1,181	(31,592)
<i>Fund Balance at Beginning of Year</i>	15,501	15,501	0
<i>Prior Year Encumbrances Appropriated</i>	520	520	0
<i>Fund Balance at End of Year</i>	\$48,794	\$17,202	(\$31,592)

City of Fairborn, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Non-GAAP Basis)
 Neighborhood Stabilization II Fund
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$49,238	\$0	(\$49,238)
Other	0	650	650
<i>Total Revenues</i>	49,238	650	(48,588)
Expenditures:			
Current:			
Community Development Neighborhood Stabilization Program			
Contractual Services	480	480	0
<i>Net Change in Fund Balance</i>	48,758	170	(48,588)
<i>Fund Balance at Beginning of Year</i>	49	49	0
<i>Prior Year Encumbrances Appropriated</i>	480	480	0
<i>Fund Balance at End of Year</i>	\$49,287	\$699	(\$48,588)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Witness Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$121,421	\$121,234	(\$187)
Other	752	939	187
<i>Total Revenues</i>	<u>122,173</u>	<u>122,173</u>	<u>0</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	151,360	150,364	996
Contractual Services	9,335	8,264	1,071
Materials and Supplies	7,474	6,347	1,127
<i>Total Administration</i>	<u>168,169</u>	<u>164,975</u>	<u>3,194</u>
State Victims Assistance Act			
Contractual Services	1,489	1,489	0
Materials and Supplies	800	800	0
<i>Total State Victims Assistance Act</i>	<u>2,289</u>	<u>2,289</u>	<u>0</u>
<i>Total Public Safety</i>	<u>170,458</u>	<u>167,264</u>	<u>3,194</u>
Capital Outlay	3,000	2,890	110
<i>Total Expenditures</i>	<u>173,458</u>	<u>170,154</u>	<u>3,304</u>
<i>Excess of Revenues Under Expenditures</i>	(51,285)	(47,981)	3,304
Other Financing Sources:			
Transfers-In	43,400	43,400	0
<i>Net Change in Fund Balance</i>	(7,885)	(4,581)	3,304
<i>Fund Balance at Beginning of Year</i>	11,333	11,333	0
<i>Prior Year Encumbrances Appropriated</i>	318	318	0
<i>Fund Balance at End of Year</i>	<u>\$3,766</u>	<u>\$7,070</u>	<u>\$3,304</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Home Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$0	\$20,986	\$20,986
Expenditures:			
Current:			
Community and Economic Development			
Neighborhood Betterment			
Personal Services	10,160	98	10,062
Contractual Services	10,020	9,018	1,002
<i>Total Expenditures</i>	20,180	9,116	11,064
<i>Excess of Revenues Over (Under) Expenditures</i>	(20,180)	11,870	32,050
Other Financing Sources:			
Advances-In	50,000	50,000	0
<i>Net Change in Fund Balance</i>	29,820	61,870	32,050
<i>Fund Balance at Beginning of Year</i>	8,259	8,259	0
<i>Prior Year Encumbrances Appropriated</i>	285	285	0
<i>Fund Balance at End of Year</i>	\$38,364	\$70,414	\$32,050

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victims Assistance Justice Assistance Grant Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$13,532	\$13,532	\$0
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	43,260	43,260	0
<i>Excess of Revenues Under Expenditures</i>	<u>(29,728)</u>	<u>(29,728)</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances-Out	(15,000)	(15,000)	0
Transfers-In	32,595	32,595	0
<i>Total Other Financing Sources (Uses)</i>	<u>17,595</u>	<u>17,595</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,133)	(12,133)	0
<i>Fund Balance at Beginning of Year</i>	<u>12,133</u>	<u>12,133</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Law Enforcement Trust Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and Donations	\$1,750	\$15,045	\$13,295
Other	23,800	26,916	3,116
<i>Total Revenues</i>	<u>25,550</u>	<u>41,961</u>	<u>16,411</u>
Expenditures:			
Current:			
Public Safety			
Safety City			
Personal Services	2,217	1,856	361
Contractual Services	6,000	5,000	1,000
Materials and Supplies	5,935	5,497	438
<i>Total Public Safety</i>	<u>14,152</u>	<u>12,353</u>	<u>1,799</u>
Capital Outlay	<u>35,500</u>	<u>35,500</u>	<u>0</u>
<i>Total Expenditures</i>	<u>49,652</u>	<u>47,853</u>	<u>1,799</u>
<i>Net Change in Fund Balance</i>	(24,102)	(5,892)	18,210
<i>Fund Balance at Beginning of Year</i>	76,457	76,457	0
<i>Prior Year Encumbrances Appropriated</i>	<u>10,186</u>	<u>10,186</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$62,541</u></u>	<u><u>\$80,751</u></u>	<u><u>\$18,210</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Drug Law Enforcement Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$3,200	\$2,719	(\$481)
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	1,000	0	1,000
Capital Outlay	6,000	3,932	2,068
<i>Total Expenditures</i>	7,000	3,932	3,068
<i>Net Change in Fund Balance</i>	(3,800)	(1,213)	2,587
<i>Fund Balance at Beginning of Year</i>	10,312	10,312	0
<i>Fund Balance at End of Year</i>	\$6,512	\$9,099	\$2,587

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$24,000	\$24,561	\$561
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	92,000	92,000	0
<i>Net Change in Fund Balance</i>	(68,000)	(67,439)	561
<i>Fund Balance at Beginning of Year</i>	290,135	290,135	0
<i>Prior Year Encumbrances Appropriated</i>	30,395	30,395	0
<i>Fund Balance at End of Year</i>	\$252,530	\$253,091	\$561

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Alcohol Enforcement and Education Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$2,500	\$2,206	(\$294)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	1,400	1,400	0
Capital Outlay	1,900	0	1,900
<i>Total Expenditures</i>	3,300	1,400	1,900
<i>Net Change in Fund Balance</i>	(800)	806	1,606
<i>Fund Balance at Beginning of Year</i>	3,072	3,072	0
<i>Fund Balance at End of Year</i>	\$2,272	\$3,878	\$1,606

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Forfeitures Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$500	\$669	\$169
Intergovernmental	3,500	3,891	391
Contributions and Donations	0	520	520
Other	2,000	0	(2,000)
<i>Total Revenues</i>	<u>6,000</u>	<u>5,080</u>	<u>(920)</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	7,000	2,000	5,000
Materials and Supplies	21,815	9,000	12,815
<i>Total Public Safety</i>	28,815	11,000	17,815
Capital Outlay	20,998	12,997	8,001
Debt Service:			
Principal Retirement	20,000	20,000	0
<i>Total Expenditures</i>	<u>69,813</u>	<u>43,997</u>	<u>25,816</u>
<i>Net Change in Fund Balance</i>	(63,813)	(38,917)	24,896
<i>Fund Balance at Beginning of Year</i>	97,960	97,960	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,703</u>	<u>7,703</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$41,850</u>	<u>\$66,746</u>	<u>\$24,896</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Municipal Probation Services Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$115,650	\$121,709	\$6,059
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	101,895	74,748	27,147
Contractual Services	7,000	7,000	0
<i>Total Expenditures</i>	<u>108,895</u>	<u>81,748</u>	<u>27,147</u>
<i>Net Change in Fund Balance</i>	6,755	39,961	33,206
<i>Fund Balance at Beginning of Year</i>	69,778	69,778	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,089</u>	<u>3,089</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$79,622</u></u>	<u><u>\$112,828</u></u>	<u><u>\$33,206</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Traffic Intervention Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$15,556	\$15,556	\$0
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	15,980	15,574	406
<i>Net Change in Fund Balance</i>	(424)	(18)	406
<i>Fund Balance at Beginning of Year</i>	437	437	0
<i>Fund Balance at End of Year</i>	\$13	\$419	\$406

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Legal Research/Computerization Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$16,849	\$16,248	(\$601)
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	7,000	7,000	0
Capital Outlay	15,000	9,657	5,343
<i>Total Expenditures</i>	22,000	16,657	5,343
<i>Net Change in Fund Balance</i>	(5,151)	(409)	4,742
<i>Fund Balance at Beginning of Year</i>	71,616	71,616	0
<i>Prior Year Encumbrances Appropriated</i>	16,233	16,233	0
<i>Fund Balance at End of Year</i>	\$82,698	\$87,440	\$4,742

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Clerk Computerization Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$114,798	\$114,337	(\$461)
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	52,863	52,206	657
Contractual Services	59,464	30,302	29,162
Materials and Supplies	3,100	2,100	1,000
<i>Total General Government</i>	115,427	84,608	30,819
Capital Outlay	74,478	15,830	58,648
<i>Total Expenditures</i>	189,905	100,438	89,467
<i>Net Change in Fund Balance</i>	(75,107)	13,899	89,006
<i>Fund Balance at Beginning of Year</i>	312,349	312,349	0
<i>Prior Year Encumbrances Appropriated</i>	48,043	48,043	0
<i>Fund Balance at End of Year</i>	\$285,285	\$374,291	\$89,006

City of Fairborn, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Non-GAAP Basis)
 Indigent Driver's Interlock and Alcohol Monitoring Fund
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$30,000	\$27,666	(\$2,334)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	58,439	58,439	0
<i>Net Change in Fund Balance</i>	(28,439)	(30,773)	(2,334)
<i>Fund Balance at Beginning of Year</i>	105,949	105,949	0
<i>Prior Year Encumbrances Appropriated</i>	6,173	6,173	0
<i>Fund Balance at End of Year</i>	<u>\$83,683</u>	<u>\$81,349</u>	<u>(\$2,334)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Moving Ohio Forward Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$29,360	\$15,347	(\$14,013)
Expenditures:			
Current:			
Community Development			
Personal Services	987	0	987
<i>Net Change in Fund Balance</i>	28,373	15,347	(13,026)
<i>Fund Balance at Beginning of Year</i>	7,725	7,725	0
<i>Prior Year Encumbrances Appropriated</i>	4,650	4,650	0
<i>Fund Balance at End of Year</i>	<u>\$40,748</u>	<u>\$27,722</u>	<u>(\$13,026)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Police/Fire Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,108,325	\$2,151,826	\$43,501
Intergovernmental	0	40,660	40,660
Other	22,569	19,264	(3,305)
<i>Total Revenues</i>	<u>2,130,894</u>	<u>2,211,750</u>	<u>80,856</u>
Expenditures:			
Current:			
Public Safety			
Police Patrol			
Personal Services	309,713	294,968	14,745
Contractual Services	245,700	243,581	2,119
Materials and Supplies	18,788	30,788	(12,000)
<i>Total Police Patrol</i>	<u>574,201</u>	<u>569,337</u>	<u>4,864</u>
Fire Operations			
Personal Services	308,393	288,473	19,920
Contractual Services	71,200	71,200	0
Materials and Supplies	224,699	169,699	55,000
<i>Total Fire Operations</i>	<u>604,292</u>	<u>529,372</u>	<u>74,920</u>
<i>Total Public Safety</i>	<u>1,178,493</u>	<u>1,098,709</u>	<u>79,784</u>
Capital Outlay	1,072,992	964,844	108,148
Debt Service:			
Principal Retirement	290,000	290,000	0
Interest and Fiscal Charges	5,591	3,883	1,708
<i>Total Debt Service</i>	<u>295,591</u>	<u>293,883</u>	<u>1,708</u>
<i>Total Expenditures</i>	<u>2,547,076</u>	<u>2,357,436</u>	<u>189,640</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(416,182)</u>	<u>(145,686)</u>	<u>270,496</u>
Other Financing Sources:			
Notes Issued	270,000	270,000	0
Premium on Debt Issued	5,000	1,442	(3,558)
<i>Total Other Financing Sources</i>	<u>275,000</u>	<u>271,442</u>	<u>(3,558)</u>
<i>Net Change in Fund Balance</i>	<u>(141,182)</u>	<u>125,756</u>	<u>266,938</u>
<i>Fund Balance at Beginning of Year</i>	<u>622,075</u>	<u>622,075</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>111,140</u>	<u>111,140</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$592,033</u></u>	<u><u>\$858,971</u></u>	<u><u>\$266,938</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Emergency Management Agency Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$8,801	\$8,801
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	8,801	8,801
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$8,801	\$8,801

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Uninsured Loss Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$30,000	\$21,193	(\$8,807)
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	43,526	43,526	0
<i>Net Change in Fund Balance</i>	(13,526)	(22,333)	(8,807)
<i>Fund Balance at Beginning of Year</i>	32,054	32,054	0
<i>Prior Year Encumbrances Appropriated</i>	23,735	23,735	0
<i>Fund Balance at End of Year</i>	\$42,263	\$33,456	(\$8,807)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Bond Retirement Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$83,000	\$84,568	\$1,568
Special Assessments	258,633	236,408	(22,225)
<i>Total Revenues</i>	<u>341,633</u>	<u>320,976</u>	<u>(20,657)</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	3,299	1,387	1,912
Debt Service:			
Principal Retirement	218,000	218,000	0
Interest and Fiscal Charges	171,339	171,165	174
<i>Total Debt Service</i>	<u>389,339</u>	<u>389,165</u>	<u>174</u>
<i>Total Expenditures</i>	<u>392,638</u>	<u>390,552</u>	<u>2,086</u>
<i>Net Change in Fund Balance</i>	(51,005)	(69,576)	(18,571)
<i>Fund Balance at Beginning of Year</i>	<u>195,510</u>	<u>195,510</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$144,505</u></u>	<u><u>\$125,934</u></u>	<u><u>(\$18,571)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Special Projects Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$169,730	\$166,341	(\$3,389)
Expenditures:			
Current:			
General Government			
Law Enforcement			
Personal Services	110,608	106,876	3,732
Contractual Services	11,774	11,774	0
Materials and Supplies	12,500	12,500	0
Total General Government	134,882	131,150	3,732
Capital Outlay	29,785	28,977	808
<i>Total Expenditures</i>	164,667	160,127	4,540
<i>Net Change in Fund Balance</i>	5,063	6,214	1,151
<i>Fund Balance at Beginning of Year</i>	188,930	188,930	0
<i>Prior Year Encumbrances Appropriated</i>	21,482	21,482	0
<i>Fund Balance at End of Year</i>	\$215,475	\$216,626	\$1,151

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Capital Improvement Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$3,135	\$1,135
Intergovernmental	0	17,734	17,734
<i>Total Revenues</i>	<u>2,000</u>	<u>20,869</u>	<u>18,869</u>
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	53,428	52,696	732
Materials and Supplies	40,093	40,093	0
<i>Total General Government</i>	93,521	92,789	732
Capital Outlay	295,337	276,332	19,005
Debt Service:			
Interest and Fiscal Charges	619	419	200
<i>Total Expenditures</i>	<u>389,477</u>	<u>369,540</u>	<u>19,937</u>
<i>Excess of Revenues Under Expenditures</i>	(387,477)	(348,671)	38,806
Other Financing Sources:			
Transfers-In	209,400	217,713	8,313
<i>Net Change in Fund Balance</i>	(178,077)	(130,958)	47,119
<i>Fund Balance at Beginning of Year</i>	234,468	234,468	0
<i>Prior Year Encumbrances Appropriated</i>	<u>226,190</u>	<u>226,190</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$282,581</u></u>	<u><u>\$329,700</u></u>	<u><u>\$47,119</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks and Recreation Improvements Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$150,000	\$150,000	\$0
Charges for Services	21,726	19,988	(1,738)
Investment Earnings	1,000	1,232	232
Intergovernmental	75,965	75,965	0
Other	30,735	30,063	(672)
<i>Total Revenues</i>	279,426	277,248	(2,178)
Expenditures:			
Capital Outlay	239,605	236,762	2,843
<i>Excess of Revenues Over Expenditures</i>	39,821	40,486	665
Other Financing Uses:			
Advances-Out	(75,000)	(75,000)	0
<i>Net Change in Fund Balance</i>	(35,179)	(34,514)	665
<i>Fund Balance at Beginning of Year</i>	20,180	20,180	0
<i>Prior Year Encumbrances Appropriated</i>	108,462	108,462	0
<i>Fund Balance at End of Year</i>	\$93,463	\$94,128	\$665

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Equipment/Facility
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$18,634	\$18,634	\$0
Charges for Services	6,178	6,178	0
Investment Earnings	563	563	0
<i>Total Revenues</i>	<u>25,375</u>	<u>25,375</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Contractual Services	15,500	15,500	0
Materials and Supplies	7,394	7,394	0
<i>Total General Government</i>	<u>22,894</u>	<u>22,894</u>	<u>0</u>
Capital Outlay	<u>348,879</u>	<u>348,879</u>	<u>0</u>
<i>Total Expenditures</i>	<u>371,773</u>	<u>371,773</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(346,398)	(346,398)	0
<i>Fund Balance at Beginning of Year</i>	61,966	61,966	0
<i>Prior Year Encumbrances Appropriated</i>	<u>284,432</u>	<u>284,432</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Building and Land Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$0	\$5,216	\$5,216
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	52,392	38,791	13,601
Materials and Supplies	66,258	66,258	0
<i>Total General Government</i>	118,650	105,049	13,601
Capital Outlay	512,280	509,418	2,862
Debt Service:			
Principal Retirement	95,000	95,000	0
Interest and Fiscal Charges	6,313	6,313	0
<i>Total Debt Service</i>	101,313	101,313	0
<i>Total Expenditures</i>	732,243	715,780	16,463
<i>Excess of Revenues Under Expenditures</i>	(732,243)	(710,564)	21,679
Other Financing Sources:			
Notes Issued	325,000	325,000	0
Premium on Debt Issued	4,800	1,735	(3,065)
Transfers-In	314,100	326,570	12,470
<i>Total Other Financing Sources</i>	643,900	653,305	9,405
<i>Net Change in Fund Balance</i>	(88,343)	(57,259)	31,084
<i>Fund Balance at Beginning of Year</i>	50,242	50,242	0
<i>Prior Year Encumbrances Appropriated</i>	78,446	78,446	0
<i>Fund Balance at End of Year</i>	\$40,345	\$71,429	\$31,084

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Financing Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$175,000	\$175,745	\$745
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	3,700	1,112	2,588
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	32,200	32,138	62
<i>Total Debt Service</i>	117,200	117,138	62
<i>Total Expenditures</i>	120,900	118,250	2,650
<i>Net Change in Fund Balance</i>	54,100	57,495	3,395
<i>Fund Balance at Beginning of Year</i>	116,002	116,002	0
<i>Fund Balance at End of Year</i>	\$170,102	\$173,497	\$3,395

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Special Assessment Construction Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$62,124	\$61,099	(\$1,025)
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	23,840	23,097	743
Capital Outlay	206,663	203,853	2,810
Debt Service:			
Principal Retirement	175,000	175,000	0
Interest and Fiscal Charges	7,637	7,218	419
<i>Total Debt Service</i>	182,637	182,218	419
<i>Total Expenditures</i>	413,140	409,168	3,972
<i>Excess of Revenues Under Expenditures</i>	(351,016)	(348,069)	2,947
Other Financing Sources:			
Special Assessment Bonds Issued	81,440	81,440	0
Notes Issued	69,100	69,100	0
Premium on Debt Issued	596	596	0
<i>Total Other Financing Sources</i>	151,136	151,136	0
<i>Net Change in Fund Balance</i>	(199,880)	(196,933)	2,947
<i>Fund Balance at Beginning of Year</i>	97,286	97,286	0
<i>Prior Year Encumbrances Appropriated</i>	167,648	167,648	0
<i>Fund Balance at End of Year</i>	\$65,054	\$68,001	\$2,947

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
I-675 Corridor Tax Increment Financing Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	5,262	5,262	0
Debt Service:			
Principal Retirement	1,576,339	1,576,339	0
Interest and Fiscal Charges	27,433	27,433	0
<i>Total Debt Service</i>	1,603,772	1,603,772	0
<i>Total Expenditures</i>	1,609,034	1,609,034	0
<i>Excess of Revenues Under Expenditures</i>	(1,609,034)	(1,609,034)	0
Other Financing Sources:			
Notes Issued	1,598,670	1,598,670	0
Premium on Debt Issued	10,500	13,798	3,298
<i>Total Other Financing Sources</i>	1,609,170	1,612,468	3,298
<i>Net Change in Fund Balance</i>	136	3,434	3,298
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$136	\$3,434	\$3,298

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Equipment Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,204,976	\$1,133,999	(\$70,977)
Other	500	21	(479)
<i>Total Revenues</i>	<u>1,205,476</u>	<u>1,134,020</u>	<u>(71,456)</u>
Expenses:			
Personal Services	531,051	514,682	16,369
Contractual Services	45,586	43,044	2,542
Materials and Supplies	643,552	636,603	6,949
Capital Outlay	3,724	3,724	0
<i>Total Expenses</i>	<u>1,223,913</u>	<u>1,198,053</u>	<u>25,860</u>
<i>Excess of Revenues Under Expenses</i>	(18,437)	(64,033)	(45,596)
Other Financing Sources:			
Transfers-In	0	25,000	25,000
<i>Net Change in Fund Equity</i>	(18,437)	(39,033)	(20,596)
<i>Fund Equity at Beginning of Year</i>	104,794	104,794	0
<i>Prior Year Encumbrances Appropriated</i>	<u>52,280</u>	<u>52,280</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$138,637</u></u>	<u><u>\$118,041</u></u>	<u><u>(\$20,596)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Information Technology Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$591,641	\$641,421	\$49,780
Other	150	0	(150)
<i>Total Revenues</i>	<u>591,791</u>	<u>641,421</u>	<u>49,630</u>
Expenses:			
Personal Services	345,695	343,408	2,287
Contractual Services	199,665	191,315	8,350
Materials and Supplies	12,117	12,101	16
Capital Outlay	114,514	109,714	4,800
<i>Total Expenses</i>	<u>671,991</u>	<u>656,538</u>	<u>15,453</u>
<i>Net Change in Fund Equity</i>	(80,200)	(15,117)	65,083
<i>Fund Equity at Beginning of Year</i>	121,277	121,277	0
<i>Prior Year Encumbrances Appropriated</i>	31,650	31,650	0
<i>Fund Equity at End of Year</i>	<u><u>\$72,727</u></u>	<u><u>\$137,810</u></u>	<u><u>\$65,083</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Employee Assistance Program Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$0	\$3,111	\$3,111
Expenses:			
Personal Services	19,582	3,121	16,461
Contractual Services	5,000	4,260	740
<i>Total Expenses</i>	24,582	7,381	17,201
<i>Excess of Revenues Under Expenses</i>	(24,582)	(4,270)	20,312
Non-Operating Revenues:			
Interest	500	1,143	(643)
<i>Net Change in Fund Equity</i>	(24,082)	(3,127)	(20,955)
<i>Fund Equity at Beginning of Year</i>	147,321	147,321	0
<i>Fund Equity at End of Year</i>	\$123,239	\$144,194	(\$20,955)

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FAIRBORN

A CITY IN MOTION

STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	174-183
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	184-193
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	194-201
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	202-205
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	206-209
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

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

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

	2007	2008	2009	2010
Governmental Activities				
Net Investment in Capital Assets	\$54,537,585	\$56,578,526	\$57,492,409	\$58,223,118
Restricted	6,871,704	9,231,712	11,579,836	10,917,852
Unrestricted (Deficit)	9,007,506	7,221,856	5,834,667	6,468,379
<i>Total Governmental Activities Net Position</i>	<u>\$70,416,795</u>	<u>\$73,032,094</u>	<u>\$74,906,912</u>	<u>\$75,609,349</u>
Business-Type Activities				
Net Investment in Capital Assets	\$9,928,349	\$11,700,861	\$12,903,901	\$12,913,413
Unrestricted	7,169,040	6,733,325	6,413,278	7,461,531
<i>Total Business-Type Activities Net Position</i>	<u>\$17,097,389</u>	<u>\$18,434,186</u>	<u>\$19,317,179</u>	<u>\$20,374,944</u>
Total Primary Government				
Net Investment in Capital Assets	\$64,465,934	\$68,279,387	\$70,396,310	\$71,136,531
Restricted	6,871,704	9,231,712	11,579,836	10,917,852
Unrestricted	16,176,546	13,955,181	12,247,945	13,929,910
<i>Total Primary Government Net Position</i>	<u>\$87,514,184</u>	<u>\$91,466,280</u>	<u>\$94,224,091</u>	<u>\$95,984,293</u>

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

2011	2012	2013	2014 (1)	2015 (1)	2016
\$59,259,234	\$59,885,657	\$60,422,126	\$61,971,834	\$62,817,281	\$62,009,840
13,249,832	13,272,202	12,832,977	9,206,263	10,484,017	12,289,605
7,587,718	11,621,608	13,227,049	(7,228,899)	(7,781,865)	(9,725,679)
<u>\$80,096,784</u>	<u>\$84,779,467</u>	<u>\$86,482,152</u>	<u>\$63,949,198</u>	<u>\$65,519,433</u>	<u>\$64,573,766</u>
\$12,778,599	\$12,182,697	\$10,370,449	\$10,132,357	\$10,497,587	\$11,706,766
9,037,992	10,509,882	13,781,547	13,991,246	15,319,546	15,371,576
<u>\$21,816,591</u>	<u>\$22,692,579</u>	<u>\$24,151,996</u>	<u>\$24,123,603</u>	<u>\$25,817,133</u>	<u>\$27,078,342</u>
\$72,037,833	\$72,068,354	\$70,792,575	\$72,104,191	\$73,314,868	\$73,716,606
13,249,832	13,272,202	12,832,977	9,206,263	10,484,017	12,289,605
16,625,710	22,131,490	27,008,596	6,762,347	7,537,681	5,645,897
<u>\$101,913,375</u>	<u>\$107,472,046</u>	<u>\$110,634,148</u>	<u>\$88,072,801</u>	<u>\$91,336,566</u>	<u>\$91,652,108</u>

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

	2007	2008	2009	2010
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$4,255,380	\$4,468,225	\$4,735,434	\$4,546,522
Public Safety	1,637,736	1,643,651	1,570,569	2,243,439
Leisure Time Activities	64,074	15,800	15,431	17,755
Community Development	279,014	0	0	0
Transportation and Street Repair	897	0	0	0
Public Health and Welfare	29,696	27,171	46,576	31,559
Operating Grants, Contributions and Interest	2,910,842	2,852,492	3,312,494	2,601,148
Capital Grants, Contributions and Interest	672,689	1,867,845	2,049,859	1,154,072
Total Governmental Activities Program Revenues	9,850,328	10,875,184	11,730,363	10,594,495
Business-Type Activities:				
Charges for Services:				
Water	2,975,569	3,410,484	3,535,657	3,737,937
Sewer	4,944,647	5,466,151	5,571,836	5,754,670
Sanitation	2,246,696	2,396,874	2,482,526	2,525,807
Operating Grants, Contributions and Interest:				
Water	0	5,813	2,657	0
Sewer	0	3,170	1,800	51,742
Capital Grants, Contributions and Interest:				
Water	0	0	37,460	27,700
Sewer	0	0	44,330	39,540
Total Business-Type Activities Program Revenues	10,166,912	11,282,492	11,676,266	12,137,396
Total Primary Government Program Revenues	20,017,240	22,157,676	23,406,629	22,731,891
Expenses:				
Governmental Activities:				
General Government	9,425,790	8,784,812	9,093,180	10,210,347
Public Safety	12,753,371	13,011,273	13,664,046	13,166,582
Leisure Time Activities	300,073	301,791	389,573	509,311
Community Development	1,042,518	932,039	1,030,438	1,096,602
Transportation and Street Repair	1,391,534	1,461,350	2,044,120	1,829,298
Public Health and Welfare	103,575	79,371	91,313	91,846
Interest and Fiscal Charges	726,456	577,333	523,675	459,319
Intergovernmental	0	195,085	207,546	222,316
Total Governmental Activities Expenses	25,743,317	25,343,054	27,043,891	27,585,621
Business-Type Activities:				
Water	3,289,099	3,274,444	3,421,387	3,456,025
Sewer	4,514,767	4,717,417	4,339,587	5,382,287
Sanitation	2,523,416	2,109,350	2,702,870	2,328,675
Total Business-Type Activities Expenses	10,327,282	10,101,211	10,463,844	11,166,987
Total Primary Government Expenses	\$36,070,599	\$35,444,265	\$37,507,735	\$38,752,608

2011	2012	2013	2014	2015 (3)	2016
\$5,006,470	\$5,321,951	\$4,797,028	\$4,894,322	\$4,958,113	\$5,611,972
1,580,842	2,242,606	2,277,370	2,056,636	2,271,404	2,270,773
20,555	20,668	19,345	18,477	20,984	19,988
0	0	0	26,642	51,233	38,629
0	16,031	22,314	26,954	9,570	31,921
40,585	41,825	41,267	32,391	27,344	35,595
3,119,605	3,313,243	3,001,991	3,306,043	3,299,247	3,559,966
3,224,212	1,178,734	857,836	935,184	1,430,177	878,850
12,992,269	12,135,058	11,017,151	11,296,649	12,068,072	12,447,694
3,957,558	4,199,695	4,168,835	4,304,620	4,104,119	4,136,284
5,936,952	6,505,548	6,640,578	6,687,253	6,651,226	6,648,955
2,502,118	2,542,620	2,636,893	2,763,166	2,754,574	2,743,135
0	0	0	0	0	0
0	0	0	0	0	0
43,300	65,235	0	36,480	71,290	52,330
46,865	56,005	0	25,547	58,820	43,110
12,486,793	13,369,103	13,446,306	13,817,066	13,640,029	13,623,814
25,479,062	25,504,161	24,463,457	25,113,715	25,708,101	26,071,508
9,358,187	8,905,813	10,125,094	9,957,291	10,198,666	10,756,212
13,148,808	12,978,270	13,969,809	14,285,206	14,786,740	17,290,189
353,854	332,663	452,199	404,947	450,208	461,178
1,107,951	1,374,945	1,156,363	4,681,346	2,259,182	1,959,838
1,858,735	3,421,331	2,617,619	3,328,628	3,338,726	3,088,426
96,966	96,413	103,185	116,391	117,755	122,870
216,742	346,865	270,515	214,784	210,577	247,647
361,216	223,589	0	0	0	0
26,502,459	27,679,889	28,694,784	32,988,593	31,361,854	33,926,360
3,211,043	3,450,401	4,038,081	4,468,043	3,997,386	3,945,132
5,334,436	6,635,220	5,578,285	5,484,171	5,547,509	6,492,400
2,550,934	2,449,113	2,721,970	2,572,478	2,591,785	2,830,336
11,096,413	12,534,734	12,338,336	12,524,692	12,136,680	13,267,868
\$37,598,872	\$40,214,623	\$41,033,120	\$45,513,285	\$43,498,534	\$47,194,228

(continued)

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

	2007	2008	2009	2010
Net (Expense)/Revenue				
Governmental Activities	(\$15,892,989)	(\$14,467,870)	(\$15,313,528)	(\$16,991,126)
Business-Type Activities	(160,370)	1,181,281	1,212,422	970,409
Total Primary Government Net Expenses	(16,053,359)	(13,286,589)	(14,101,106)	(16,020,717)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for: (1)				
General Purposes	2,174,289	1,751,432	1,604,334	1,645,992
Fire and EMS	0	373,158	373,388	380,949
Police	0	0	148,183	152,106
Debt Service	146,175	133,767	149,933	149,388
Street Lighting	0	142,205	134,505	139,667
Special Revenue	564,276	0	0	0
Capital Projects	159,966	0	0	0
Other Local Taxes	0	840,651	738,667	712,099
Revenue in Lieu of Taxes	0	294,409	310,823	339,114
Municipal Income Taxes (2)	11,791,441	0	0	0
Municipal Income Taxes Levied for:				
General Purposes	0	8,488,898	7,384,148	7,739,285
Street Programs	0	2,060,948	1,853,273	1,931,190
Capital Outlay	0	2,030,024	1,848,135	1,931,190
Grants and Entitlements not				
Restricted to Specific Programs	2,357,094	2,072,364	2,148,568	2,158,308
Investment Earnings	1,048,527	958,903	125,503	16,369
Other	227,875	410,769	368,886	397,906
Transfers-Internal Activities	(11,212)	0	0	0
Total Governmental Activities	18,458,431	19,557,528	17,188,346	17,693,563
Business-Type Activities:				
Investment Earnings	259,186	113,524	126,621	57,526
Other	76,471	41,992	31,975	29,830
Transfers-Internal Activities	11,212	0	0	0
Total Business-Type Activities	346,869	155,516	158,596	87,356
Total Primary Government	18,805,300	19,713,044	17,346,942	17,780,919
Prior Year Restatement of Governmental Activities Net Position	399,686	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	150,000	0	(488,025)	0
Change in Net Position:				
Governmental Activities	2,965,128	5,089,658	1,874,818	702,437
Business-Type Activities	336,499	1,336,797	882,993	1,057,765
Total Primary Government	\$3,301,627	\$6,426,455	\$2,757,811	\$1,760,202

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

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

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

2011	2012	2013	2014	2015 (3)	2016
(\$13,510,190)	(\$15,544,831)	(\$17,677,633)	(\$21,691,944)	(\$19,293,782)	(\$21,478,666)
1,390,380	834,369	1,107,970	1,292,374	1,503,349	355,946
(12,119,810)	(14,710,462)	(16,569,663)	(20,399,570)	(17,790,433)	(21,122,720)
1,551,379	822,926	834,730	847,262	782,489	818,384
545,417	2,189,418	2,210,684	2,240,812	2,045,353	2,166,795
340,974	2,189,418	2,210,683	2,240,812	2,045,353	2,166,795
114,364	0	0	0	0	0
124,253	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
810,109	841,187	823,386	828,945	847,768	841,911
332,269	379,278	362,657	419,134	428,715	411,210
0	0	0	0	0	0
7,759,131	8,125,170	7,733,646	8,080,790	8,231,278	8,958,104
1,946,526	2,030,750	1,934,815	2,018,698	2,057,256	2,239,665
1,946,525	2,030,749	1,934,815	2,018,698	2,057,248	2,239,665
1,890,415	1,076,446	1,271,868	968,659	1,765,047	938,320
135,217	63,005	(53,893)	442,641	191,381	(41,272)
501,046	479,167	418,299	580,160	412,129	479,006
0	0	(301,372)	0	0	(685,584)
17,997,625	20,227,514	19,380,318	20,686,611	20,864,017	20,532,999
25,838	23,729	13,118	30,708	52,369	75,056
25,429	17,890	36,957	149,596	137,812	144,623
0	0	301,372	0	0	685,584
51,267	41,619	351,447	180,304	190,181	905,263
18,048,892	20,269,133	19,731,765	20,866,915	21,054,198	21,438,262
0	0	0	0	63,949,198	0
0	0	0	0	24,123,603	0
4,487,435	4,682,683	1,702,685	(1,005,333)	65,519,433	(945,667)
1,441,647	875,988	1,459,417	1,472,678	25,817,133	1,261,209
\$5,929,082	\$5,558,671	\$3,162,102	\$467,345	\$91,336,566	\$315,542

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$28,888
Assigned	0	0	0	213,705
Unassigned	0	0	0	3,371,738
Reserved	134,360	202,949	243,901	0
Unreserved	<u>5,577,044</u>	<u>4,496,405</u>	<u>3,522,534</u>	<u>0</u>
Total General Fund	<u>5,711,404</u>	<u>4,699,354</u>	<u>3,766,435</u>	<u>3,614,331</u>
All Other Governmental Funds				
Nonspendable	0	0	0	1,284,429
Restricted	0	0	0	6,575,123
Committed	0	0	0	374,831
Assigned	0	0	0	474,042
Unassigned (Deficit)	0	0	0	(2,553,880)
Reserved	747,853	650,135	2,017,230	0
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	2,342,636	2,678,806	3,274,776	0
Debt Service Fund	369,454	346,215	325,721	0
Capital Projects Funds	<u>(899,905)</u>	<u>(541,650)</u>	<u>(334,303)</u>	<u>0</u>
Total all Other Governmental Funds	<u>2,560,038</u>	<u>3,133,506</u>	<u>5,283,424</u>	<u>6,154,545</u>
All Governmental Funds	<u>\$8,271,442</u>	<u>\$7,832,860</u>	<u>\$9,049,859</u>	<u>\$9,768,876</u>

(1) The City implemented GASB 54 in 2011.

2011	2012	2013	2014	2015	2016
\$46,497	\$54,586	\$25,166	\$23,665	\$14,298	\$18,950
171,849	262,679	608,978	755,130	983,752	2,023,546
3,410,686	7,894,685	9,382,356	10,042,544	9,480,017	8,378,803
0	0	0	0	0	0
0	0	0	0	0	0
3,629,032	8,211,950	10,016,500	10,821,339	10,478,067	10,421,299
3,412,502	3,329,972	69,678	200,574	166,271	669,611
7,071,041	7,360,699	7,176,384	6,062,520	7,295,377	8,206,807
491,291	561,203	254,549	309,296	119,119	258,566
593,902	495,287	586,058	625,356	419,469	459,463
(3,123,216)	(730,233)	(309,636)	(122,498)	(1,079)	(2,216,842)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,445,520	11,016,928	7,777,033	7,075,248	7,999,157	7,377,605
\$12,074,552	\$19,228,878	\$17,793,533	\$17,896,587	\$18,477,224	\$17,798,904

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

	2007	2008	2009	2010
Revenues:				
Property Taxes	\$0	\$2,389,176	\$2,425,711	\$2,458,646
Other Local Taxes	0	840,651	738,667	712,099
Municipal Income Taxes	0	10,194,655	11,185,796	11,442,949
Revenue in Lieu of Taxes	0	294,409	310,823	339,114
Taxes (1)	14,175,271	0	0	0
Fines, Licenses and Permits	1,946,954	2,404,118	2,002,352	1,817,598
Charges for Services	3,943,296	3,368,842	4,151,360	4,868,341
Investment Earnings	1,049,461	1,000,056	233,256	165,647
Intergovernmental	5,196,126	6,287,601	6,028,951	5,914,059
Special Assessments	477,094	317,084	302,578	414,979
Contributions and Donations	0	0	542,430	0
Other	289,418	410,769	368,886	397,906
Total Revenues	27,077,620	27,507,361	28,290,810	28,531,338
Expenditures:				
Current:				
General Government	6,066,276	6,780,642	6,826,870	7,517,523
Public Safety	12,254,446	12,519,358	12,902,125	12,772,786
Leisure Time Activities	211,967	206,165	280,300	391,574
Community Development	1,004,676	915,623	1,010,774	1,080,457
Transportation and Street Repair	1,328,606	1,123,628	1,654,970	1,460,195
Public Health and Welfare	104,930	79,775	88,814	90,865
Capital Outlay	4,252,263	4,545,832	2,387,313	2,505,157
Intergovernmental	0	195,085	207,546	222,316
Debt Service:				
Principal Retirement	1,562,422	1,540,702	1,706,369	2,040,492
Interest and Fiscal Charges	755,436	625,846	546,730	485,687
Issuance Costs	0	0	0	852
Total Expenditures	27,541,022	28,532,656	27,611,811	28,567,904
Excess of Revenues				
Over (Under) Expenditures	(463,402)	(1,025,295)	678,999	(36,566)
Other Financing Sources (Uses):				
Special Assessments Bond Issued	0	280,000	135,000	0
Notes Issued	0	0	0	0
Proceeds of OPWC Loans	0	0	0	0
Proceeds from the Sale of Capital Assets	15,237	0	0	0
Premium on Debt Issued	0	0	0	583
Issuance of Long-Term Capital-Related Debt	465,000	0	0	0
General Obligation Bonds Issued	0	0	0	45,000
Refunding Notes Issued	0	135,000	403,000	710,000
Inception of Capital Lease	0	171,713	0	0
Transfers-In	4,127,372	4,839,170	10,563,476	10,226,724
Transfers-Out	(4,138,584)	(4,839,170)	(10,563,476)	(10,226,724)
Total Other Financing Sources (Uses)	469,025	586,713	538,000	755,583
Prior Year Restatement of Restricted Fund Balance	0	0	0	0
Net Change in Fund Balances	\$5,623	(\$438,582)	\$1,216,999	\$719,017
Debt Service as a Percentage				
of Noncapital Expenditures	5.8%	9.2%	9.0%	9.7%

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

2011	2012	2013	2014	2015	2016
\$2,415,919	\$5,235,512	\$5,404,927	\$5,270,213	\$5,033,037	\$5,146,070
810,109	841,187	823,386	828,945	847,768	841,911
11,574,407	11,994,955	11,691,107	11,911,179	12,165,582	13,164,280
332,269	379,278	362,657	419,134	428,715	411,210
0	0	0	0	0	0
1,638,566	1,639,486	1,679,445	1,809,801	1,701,365	1,744,061
5,048,274	5,778,812	5,342,261	5,370,812	5,552,844	5,628,442
168,589	101,427	(48,747)	488,097	184,960	26,256
6,236,284	6,535,383	4,942,122	4,722,891	5,945,544	4,451,296
416,412	363,052	321,577	295,972	197,000	187,020
46,558	9,276	1,427	5,384	11,059	15,565
501,046	498,594	418,299	580,160	412,129	479,006
<u>29,188,433</u>	<u>33,376,962</u>	<u>30,938,461</u>	<u>31,702,588</u>	<u>32,480,003</u>	<u>32,095,117</u>
7,025,927	6,410,454	7,359,127	7,121,226	6,987,945	7,330,640
12,379,650	12,282,513	13,351,123	13,496,787	13,815,117	14,806,908
201,592	169,189	281,564	229,166	247,569	268,657
1,087,343	1,349,975	1,133,762	1,655,251	2,259,829	1,883,239
1,763,864	3,309,867	2,607,811	3,258,464	3,234,742	2,949,365
95,111	94,743	102,948	115,122	117,097	118,751
1,699,918	2,014,611	2,896,232	3,399,872	4,335,287	4,737,193
216,742	223,589	215,666	253,670	243,390	235,465
2,478,903	1,755,570	3,328,691	2,136,024	715,368	676,945
384,476	363,988	321,975	255,058	219,918	249,473
11,510	0	0	0	0	0
<u>27,345,036</u>	<u>27,974,499</u>	<u>31,598,899</u>	<u>31,920,640</u>	<u>32,176,262</u>	<u>33,256,636</u>
<u>1,843,397</u>	<u>5,402,463</u>	<u>(660,438)</u>	<u>(218,052)</u>	<u>303,741</u>	<u>(1,161,519)</u>
320,000	120,000	0	0	0	85,000
0	0	517,500	310,000	270,000	757,515
0	0	0	0	0	334,832
22,279	4,484	25,921	4,171	4,741	11,710
0	16,193	47,589	6,935	2,155	4,726
0	0	0	0	0	0
0	0	1,630,000	0	0	0
120,000	1,611,186	0	0	0	0
0	0	0	0	0	0
9,644,754	4,870,028	5,878,722	6,654,118	7,370,918	8,581,627
<u>(9,644,754)</u>	<u>(4,870,028)</u>	<u>(5,878,722)</u>	<u>(6,654,118)</u>	<u>(7,370,918)</u>	<u>(9,292,211)</u>
<u>462,279</u>	<u>1,751,863</u>	<u>2,221,010</u>	<u>321,106</u>	<u>276,896</u>	<u>483,199</u>
0	0	(2,995,917)	0	0	0
<u>\$2,305,676</u>	<u>\$7,154,326</u>	<u>(\$1,435,345)</u>	<u>\$103,054</u>	<u>\$580,637</u>	<u>(\$678,320)</u>
11.2%	8.2%	12.6%	8.4%	3.4%	3.3%

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

Assessed Year	Real Property		Tangible Personal Property			
	Assessed Value	Estimated Actual Value	Public Utility		General Business	
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$506,398,990	\$1,446,854,257	\$12,989,310	\$14,760,580	\$19,626,089	\$157,008,712
2008	513,328,920	1,466,654,057	11,790,182	13,397,934	15,057,095	24,091,352
2009	552,208,370	1,577,738,200	10,790,570	12,262,011	7,381,048	11,809,677
2010	552,367,880	1,578,193,943	10,647,220	12,099,114	1,138,450	1,821,520
2011	555,015,130	1,585,757,514	11,124,480	12,641,455	552,420	883,872
2012	513,212,360	1,466,321,029	11,439,860	12,999,841	0	0
2013	516,359,800	1,475,313,714	14,040,100	15,954,659	0	0
2014	497,344,590	1,420,984,543	14,054,270	15,970,761	0	0
2015	498,165,380	1,423,329,657	14,621,720	16,615,591	0	0
2016	500,809,070	1,430,883,057	15,689,160	17,828,591	0	0

Source: Greene County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent rollback, a 2 1/2 percent rollback, and homestead exemption before being billed.

Assessed Value	Total		Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated Actual Value	Ratio	
\$539,014,389	\$1,618,623,549	33.30	8.89
540,176,197	1,504,143,343	35.91	8.82
570,379,988	1,601,809,888	35.61	8.78
564,153,550	1,592,114,576	35.43	8.80
566,692,030	1,599,282,841	35.43	8.80
524,652,220	1,479,320,869	35.47	8.80
530,399,900	1,491,268,373	35.57	8.80
511,398,860	1,436,955,304	35.59	8.80
512,787,100	1,439,945,248	35.61	11.30
516,498,230	1,448,711,648	35.65	10.96

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

	2007	2008	2009	2010
Unvoted Millage				
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy				
1976 Current Expense				
Residential/Agricultural Real	1.2535	1.1784	1.1787	1.1799
Commercial/Industrial and Public Utility Real	1.9210	1.7922	1.8323	1.8505
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000
1976 Street Light				
Residential/Agricultural Real	0.2350	0.2209	0.2210	0.2212
Commercial/Industrial and Public Utility Real	0.3602	0.3360	0.3436	0.3470
General Business and Public Utility Personal	0.9000	0.9000	0.9000	0.9000
1976 Bond Levy (\$930,000)				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1982 Emergency Medical Service				
Residential/Agricultural Real	0.4169	0.3919	0.3920	0.3924
Commercial/Industrial and Public Utility Real	0.5604	0.5229	0.5345	0.5398
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1990 Bond Levy (\$1,750,000)				
Residential/Agricultural Real	0.2800	0.3000	0.3000	0.2500
Commercial/Industrial and Public Utility Real	0.2800	0.3000	0.3000	0.2500
General Business and Public Utility Personal	0.2800	0.3000	0.3000	0.2500
2011 Police				
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
2011 Fire & EMS				
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	2.18540	2.09120	2.09170	2.04350
Commercial/Industrial and Public Utility Real	3.12160	2.95110	3.01040	2.98730
General Business and Public Utility Personal	6.98000	7.00000	7.00000	6.95000
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	4.68540	4.59120	4.59170	4.54350
Commercial/Industrial and Public Utility Real	5.62160	5.45110	5.51040	5.48730
General Business and Public Utility Personal	9.48000	9.50000	9.50000	9.45000
<i>Weighted Average</i>	8.89000	8.85000	8.78000	8.80000

2011	2012	2013	2014	2015	2016
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
4.40000	4.40000	4.40000	4.40000	4.40000	4.40000
8.80000	8.80000	8.80000	8.80000	8.80000	8.80000
8.80000	8.80000	8.80000	8.80000	8.80000	8.80000
8.80000	8.80000	8.80000	8.80000	8.80000	8.80000
11.30000	11.30000	11.30000	11.30000	11.30000	11.30000
11.30000	11.30000	11.30000	11.30000	11.30000	11.30000
11.30000	11.30000	11.30000	11.30000	11.30000	11.30000
8.80000	8.80000	8.80000	8.80000	11.30000	10.95675

(continued)

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

Overlapping Rates by Taxing District

	2007	2008	2009	2010
Fairborn City School District				
Residential/Agricultural Real	\$30.7001	\$30.1000	\$30.0066	\$30.1277
Commercial/Industrial and Public Utility Real	32.4080	31.0102	31.2887	31.4438
General Business and Public Utility Personal	52.5000	51.9000	51.8000	51.9000
Greene County Joint Vocational School District				
Residential/Agricultural Real	2.5692	2.5269	2.5285	2.5316
Commercial/Industrial and Public Utility Real	2.6501	2.6030	2.6776	2.6963
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500
General Health District				
Residential/Agricultural Real	0.4948	0.4570	0.4573	0.4578
Commercial/Industrial and Public Utility Real	0.4954	0.4598	0.4731	0.4763
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
Greene County				
Residential/Agricultural Real	10.6547	10.0302	10.9944	11.5834
Commercial/Industrial and Public Utility Real	11.0849	10.4644	11.5388	11.5388
General Business and Public Utility Personal	11.5500	11.5500	12.2500	12.2500

Source: Greene County Auditor

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

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

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

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

2011	2012	2013	2014	2015	2016
\$32.2323	\$32.0765	\$32.1015	\$33.1700	\$33.1900	\$35.9100
33.0970	33.1848	33.5243	34.0200	34.0300	36.7300
52.6500	52.5000	52.5000	52.6500	52.6500	55.3500
2.6460	2.6473	2.6494	2.6600	2.6500	2.6600
2.8188	2.8285	2.8550	2.8700	2.8000	2.7800
3.4500	3.4500	3.4500	3.4500	3.4500	3.4500
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.8000	0.8000	0.8000	0.8000	0.7800	0.7800
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
11.2744	11.2772	11.2842	11.6900	13.4900	13.4800
11.8825	11.9065	11.9692	12.4100	13.9300	13.8400
12.2500	12.2500	12.2500	12.6500	14.4500	14.4500

City of Fairborn, Ohio
Principal Property Tax Payers
 2016 and 2007
 Schedule 7

Taxpayer	2016	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$11,043,970	2.14%
Charter Woods LLC	6,246,030	1.21%
Mapleview Apartments LLC	4,236,570	0.82%
Brinley Place LLC	3,920,130	0.76%
2377 Commerce Center Blvd. LLC	3,618,600	0.70%
NatDayton LLC	3,124,750	0.60%
Vectren Energy	2,897,190	0.56%
Trebein Limited ADK III	2,704,960	0.52%
Highlands Apartments Phase I	2,634,980	0.51%
Trebein Limited	2,412,260	0.47%
Total Principal Property Tax Payers	42,839,440	8.29%
Total All Others	473,658,790	91.71%
Total Assessed Value	\$516,498,230	100.00%
	2007	
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$8,487,870	1.57%
Charter Woods LLC	6,156,890	1.14%
MG-Mapleview LTD	4,189,460	0.78%
2377 Commerce Center Blvd.	3,957,290	0.73%
Highland Apartments	3,135,140	0.58%
Property Associates LLC	3,105,320	0.58%
Miami Valley Publishing Co. Inc.	3,045,810	0.57%
Trebein Limited ADK III	2,894,480	0.54%
Trebein Limited	2,820,900	0.52%
Shoppes at VG LTD	2,730,110	0.51%
Total Principal Property Tax Payers	40,523,270	7.52%
Total All Others	498,491,119	92.48%
Total Assessed Value	\$539,014,389	100.00%

Source: County Auditor

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

Collection Year (4)	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2) (3)	Total Tax Collections	Percent of Total Collections To Total Levy
2007	\$2,620,838	\$2,290,437	87.39%	\$0	\$2,628,788	100.30%
2008	2,634,989	2,222,926	84.36%	86,433	2,641,320	100.24%
2009	2,610,958	2,288,344	87.64%	93,338	2,426,111	92.92%
2010	2,655,059	2,308,396	86.94%	195,165	2,720,208	102.45%
2011	2,674,411	2,292,610	85.72%	111,913	2,415,927	90.33%
2012	5,710,090	4,942,985	86.57%	269,885	5,235,212	91.68%
2013	5,724,178	5,058,861	88.38%	308,403	5,404,927	94.42%
2014	5,639,412	5,038,661	89.35%	199,257	5,237,918	92.88%
2015	5,447,529	4,795,028	88.02%	207,400	5,002,428	91.83%
2016	5,468,707	4,874,179	89.13%	371,197	5,245,376	95.92%

Source: County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The County does not identify delinquent collections by the year for which the tax was levied.
- (3) Prior to 2008 the County Auditor did not split tax collections between current and delinquent.
- (4) During 2016 reporting, the County Auditor reviewed and updated all years for accuracy and consistency.



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

Calendar Year	Individual		Total Individual	Corporate (1)	Partnership (2)	Total	Income Tax Rate
	Withholding	Non-Withholding					
2007	\$8,850,224	\$1,278,895	\$10,129,119	\$747,105	\$0	\$10,876,224	1.50%
2008	8,597,465	1,438,186	10,035,651	799,493	0	10,835,144	1.50%
2009	9,097,190	1,344,367	10,441,557	493,240	0	10,934,797	1.50%
2010	9,052,186	1,465,601	10,517,787	527,885	0	11,045,672	1.50%
2011	9,090,819	1,503,761	10,594,580	788,138	0	11,382,718	1.50%
2012	9,382,995	1,416,132	10,799,127	875,154	0	11,674,281	1.50%
2013	9,005,623	1,383,442	10,389,065	993,264	0	11,382,329	1.50%
2014	9,499,010	1,424,521	10,923,531	876,994	0	11,800,525	1.50%
2015	9,642,019	1,631,346	11,273,365	810,618	0	12,083,983	1.50%
2016	10,150,511	1,713,279	11,863,791	945,577	0	12,809,368	1.50%

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

(2) Information not available.

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

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

Calendar Year	Governmental Activities							
	General Obligation Bonds	Special Assessment Bonds	General Obligation Notes (1)	Special Assessment Notes	Income Tax Revenue Bonds	Tax Increment Financing Revenue Bonds	OPWC Loan	Capital Leases
2007	\$1,080,000	\$2,000,000	\$2,470,000	\$12,412	\$7,570,000	\$0	\$0	\$627,014
2008	890,000	1,960,000	2,365,000	260,000	6,650,000	0	0	804,147
2009	695,000	1,789,000	3,292,762	501,000	5,830,729	0	0	669,186
2010	570,583	1,437,000	1,993,163	710,000	4,802,583	0	0	527,264
2011	390,466	1,394,000	2,009,159	120,000	3,669,437	0	0	395,237
2012	350,350	1,190,000	1,553,293	68,686	2,496,291	0	0	262,874
2013	310,233	1,007,055	448,650	0	1,273,146	1,574,268	0	124,369
2014	200,117	785,943	311,734	0	0	1,486,714	0	90,631
2015	95,000	588,831	270,539	0	0	1,399,160	0	65,825
2016	0	465,719	758,697	0	0	1,311,606	334,832	40,212

Notes: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Population and Personal Income data are presented on Schedule 15.

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

Business-Type Activities

General Obligation Bonds	Special Assessment Bonds	OWDA Loan	OPWC Loan	General Obligation Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$5,805,000	\$150,000	\$2,034,697	\$133,485	\$6,600,000	\$20,228	\$28,502,836	0.53%	\$889
4,850,000	140,000	1,654,244	116,800	10,880,000	5,239	30,575,430	0.54%	954
4,021,044	130,000	1,252,220	108,458	10,635,000	4,767	28,929,166	0.52%	903
10,560,921	120,000	827,271	91,772	4,057,000	285,848	25,983,405	0.44%	803
9,657,268	115,000	493,521	75,086	5,577,000	224,744	24,120,918	0.41%	746
9,519,777	110,000	144,178	58,400	6,536,000	172,031	22,461,880	0.36%	694
15,106,946	100,000	0	41,714	100,211	117,313	20,203,905	0.33%	625
14,639,732	90,000	0	25,028	100,459	60,514	17,790,872	0.27%	543
14,087,518	80,000	0	8,342	2,793,746	1,555	19,390,516	0.29%	580
13,525,304	70,000	0	1,449	6,588,700	950	23,097,469	0.35%	690

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

Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	Debt Per Capita
2007	\$6,885,000	\$1,618,623,549	32,054	0.43%	\$214.79
2008	5,740,000	1,504,143,343	32,054	0.38%	179.07
2009	4,716,044	1,601,809,888	32,054	0.29%	147.13
2010	11,131,504	1,592,114,576	32,352	0.70%	344.07
2011	10,047,734	1,599,282,841	32,352	0.63%	310.58
2012	9,870,127	1,479,320,869	32,352	0.67%	305.09
2013	15,417,179	1,491,268,373	32,352	1.03%	476.54
2014	14,839,849	1,436,955,304	32,770	1.03%	452.85
2015	14,182,518	1,439,945,248	33,452	0.98%	423.97
2016	13,525,304	1,448,711,648	33,452	0.93%	404.32

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2016 Est.)

Source: City Records

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

City of Fairborn, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2016
 Schedule 12

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Fairborn (1)	Amount Applicable to the City of Fairborn
Direct Debt:			
City of Fairborn			
Special Assessment Bonds	\$465,719	100.00%	\$465,719
Notes Payable (3)	758,697	100.00%	758,697
Tax Increment Financing Revenue Bonds	1,311,606	100.00%	1,311,606
OPWC Loans	334,832	100.00%	334,832
Capital Lease Obligations	40,212	100.00%	40,212
	<u>2,911,066</u>		<u>2,911,066</u>
Total Direct Debt	<u>2,911,066</u>		<u>2,911,066</u>
Overlapping Debt:			
Greene County	166,504,737	13.78%	22,944,353
Beavercreek City School District (2)	87,787,085	31.34%	27,512,472
Fairborn City School District (2)	12,735,066	81.44%	10,371,438
	<u>267,026,888</u>		<u>60,828,263</u>
Total Overlapping Debt	<u>267,026,888</u>		<u>60,828,263</u>
Grand Total	<u><u>\$269,937,954</u></u>		<u><u>\$63,739,329</u></u>

Source: Greene County Auditor

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
 (2) The debt outstanding is as of June 30, 2016.
 (3) The General Obligation Notes only include the long-term portion of the notes.

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

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

	2007	2008	2009	2010
Total Assessed Valuation	\$539,014,389	\$540,176,197	\$570,379,988	\$564,153,550
Overall debt limitation - 10.5% of assessed valuation	56,596,511	56,718,501	59,889,899	59,236,123
Debt Outstanding				
General Obligation Bonds	6,735,000	5,740,000	4,725,000	11,205,000
Income Tax Revenue Bonds	7,570,000	6,650,000	5,690,000	4,690,000
Special Assessment Bonds	2,162,412	2,100,000	1,919,000	1,557,000
Loans Payable	2,168,182	1,771,044	1,360,678	919,043
Bond Anticipation Notes	9,070,000	13,505,000	14,428,762	6,747,762
Total Gross Indebtedness	27,705,594	29,766,044	28,123,440	25,118,805
Less Exempt Debt				
General Obligation Bonds	5,655,000	4,850,000	4,030,000	10,635,000
Income Tax Revenue Bonds	7,570,000	6,650,000	5,690,000	4,690,000
Special Assessment Bonds	2,162,412	2,100,000	1,919,000	1,557,000
Loans Payable	2,168,182	1,771,044	1,360,678	919,043
Bond Anticipation Notes	9,070,000	13,505,000	14,428,762	6,747,762
Total Exempt Debt	26,625,594	28,876,044	27,428,440	24,548,805
Net Debt Subject to Limitation	1,080,000	890,000	695,000	570,000
Less amount available in the Debt Service Fund	369,454	346,215	325,721	295,174
Total Net Debt Subject to Limitation	710,546	543,785	369,279	274,826
Legal debt margin within 10.5% limitation	\$55,885,965	\$56,174,716	\$59,520,620	\$58,961,297
Legal Debt Margin as a Percentage of the Debt Limit	98.7%	99.0%	99.4%	99.5%
Unvoted debt limitation 5.5% of assessed valuation	\$29,645,791	\$29,709,691	\$31,370,899	\$31,028,445
Debt Outstanding	27,705,594	29,766,044	28,123,440	25,118,805
Less Exempt Debt				
General Obligation Bonds	5,655,000	4,850,000	4,030,000	10,635,000
Income Tax Revenue Bonds	7,570,000	6,650,000	5,690,000	4,690,000
Special Assessment Bonds	2,162,412	2,100,000	1,919,000	1,557,000
Loans Payable	2,168,182	1,771,044	1,360,678	919,043
Bond Anticipation Notes	9,070,000	13,505,000	14,428,762	6,747,762
Total Exempt Debt	26,625,594	28,876,044	27,428,440	24,548,805
Net Debt Subject to Limitation	1,080,000	890,000	695,000	570,000
Less amount available in the Debt Service Fund	369,454	346,215	325,721	295,174
Total Net Debt Subject to Limitation	710,546	543,785	369,279	274,826
Legal debt margin within 5.5% limitation	\$28,935,245	\$29,165,906	\$31,001,620	\$30,753,619
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.6%	98.2%	98.8%	99.1%

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

2011	2012	2013	2014	2015	2016
\$566,692,030	\$524,652,220	\$530,399,900	\$511,398,860	\$512,787,100	\$516,498,230
59,502,663	55,088,483	55,691,990	53,696,880	53,842,646	54,232,314
10,115,000	9,560,082	15,272,286	16,326,563	15,480,000	14,745,000
3,585,000	2,440,000	1,245,000	0	0	0
1,509,000	1,300,000	1,035,000	874,000	667,000	534,000
568,607	202,578	41,714	25,028	8,342	336,281
7,692,762	8,403,500	715,000	410,000	3,058,900	7,336,518
23,470,369	21,906,160	18,309,000	17,635,591	19,214,242	22,951,799
9,725,000	9,210,082	14,962,286	14,639,732	14,020,000	13,465,000
3,585,000	2,440,000	1,245,000	0	0	0
1,509,000	1,300,000	1,035,000	874,000	667,000	534,000
568,607	202,578	41,714	25,028	8,342	336,281
7,692,762	8,403,500	715,000	410,000	3,058,900	7,336,518
23,080,369	21,556,160	17,999,000	15,948,760	17,754,242	21,671,799
390,000	350,000	310,000	1,686,831	1,460,000	1,280,000
283,373	237,023	295,670	251,075	195,510	125,934
106,627	112,977	14,330	1,435,756	1,264,490	1,154,066
\$59,396,036	\$54,975,506	\$55,677,660	\$52,261,124	\$52,578,156	\$53,078,248
99.8%	99.8%	100.0%	97.3%	97.7%	97.9%
\$31,168,062	\$28,855,872	\$29,171,995	\$28,126,937	\$28,203,291	\$28,407,403
23,470,369	21,906,160	18,309,000	17,635,591	19,214,242	22,951,799
9,725,000	9,210,082	14,962,286	14,639,732	14,020,000	13,465,000
3,585,000	2,440,000	1,245,000	0	0	0
1,509,000	1,300,000	1,035,000	874,000	667,000	534,000
568,607	202,578	41,714	25,028	8,342	336,281
7,692,762	8,403,500	715,000	410,000	3,058,900	7,336,518
23,080,369	21,556,160	17,999,000	15,948,760	17,754,242	21,671,799
390,000	350,000	310,000	1,686,831	1,460,000	1,280,000
283,373	237,023	295,670	251,075	195,510	125,934
106,627	112,977	14,330	1,435,756	1,264,490	1,154,066
\$31,061,435	\$28,742,895	\$29,157,665	\$26,691,181	\$26,938,801	\$27,253,337
99.7%	99.6%	100.0%	94.9%	95.5%	95.9%

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

OWDA Loan						
Calendar Year	Gross Revenues	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$4,945,690	\$3,189,204	\$1,756,486	\$360,155	\$122,578	3.64%
2008	5,480,155	3,432,202	2,047,953	380,453	102,279	4.24%
2009	5,586,017	3,127,248	2,458,769	402,024	80,706	5.09%
2010	5,770,826	3,955,133	1,815,693	424,949	55,693	3.78%
2011	5,943,585	3,670,074	2,273,511	333,750	33,377	6.19%
2012	6,508,691	5,103,267	1,405,424	349,343	17,787	3.83%
2013	6,656,869	4,142,833	2,514,036	144,178	4,242	16.94%
2014	0	0	0	0	0	0.00%
2015	0	0	0	0	0	0.00%
2016	0	0	0	0	0	0.00%

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

Income Tax Revenue Bonds

Municipal Income Taxes (2)	Debt Service Requirements			Coverage
	Principal	Interest	Total	
\$10,876,224	\$900,000	\$328,600	\$1,228,600	8.85%
10,194,655	920,000	294,850	1,214,850	8.39%
11,185,796	960,000	262,650	1,222,650	9.15%
11,442,949	1,000,000	229,050	1,229,050	9.31%
11,574,407	1,105,000	194,050	1,299,050	8.91%
11,994,955	1,145,000	152,613	1,297,613	9.24%
11,691,107	1,195,000	106,813	1,301,813	8.98%
11,911,179	1,245,000	56,025	1,301,025	9.16%
0	0	0	0	0.00%
0	0	0	0	0.00%

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2007	32,054	\$5,390,237	\$33,988	6.2%
2008	32,054	5,692,242	35,720	7.5%
2009	32,054	5,610,597	35,105	11.7%
2010	32,352	5,877,656	36,370	10.7%
2011	32,352	6,162,374	37,842	9.2%
2012	32,352	6,318,000	23,677	7.5%
2013	32,352	6,690,015	22,959	7.1%
2014	32,770	6,690,015 (5)	22,959 (5)	4.8%
2015	33,452	6,690,015 (5)	22,959 (5)	4.1%
2016	33,452	6,690,015 (5)	22,959 (5)	4.1%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2016 Est.)
 - (2) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (3) Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (4) Ohio Labor Market Information
 - (5) Information was not available for 2014, 2015, or 2016; the 2013 amounts were used as an estimate

City of Fairborn, Ohio
Principal Employers
 2016 and 2008 (2)
 Schedule 16

2016	
Employer	Number of Employees
Wright Patterson AFB	27,500
Wright State University	3,350
Teleperformance USA Inc.	570
Fairborn City Schools	546
Morris Home Furniture Co.	468
Peerless	300
City of Fairborn	272
Kroger	267
Ali Industries	247
I-Supply	175
Total Employees	33,695

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

Source: Community Development Division

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

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

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

Function/Program	2007	2008	2009	2010
General Government				
City Council	0.9	1.4	1.4	1.4
Municipal Court	28.9	29.5	30.1	29.3
City Administration	3.8	3.0	4.0	3.0
Finance	15.3	12.8	13.4	13.9
Legal	2.0	2.0	2.0	2.0
Personnel	1.0	1.0	1.0	1.0
Engineering	6.1	6.1	6.4	6.4
Plant Maintenance	9.6	8.8	8.8	8.5
Victim Witness	1.9	1.8	1.8	2.0
Public Safety (1)				
Police				
Sworn Officers	43.0	43.0	43.0	42.0
Non-Sworn	18.6	18.9	18.9	18.9
Fire	52.0	51.7	51.5	51.5
Community Environment				
Building Inspection	4.9	4.9	5.5	5.5
City Planner	2.3	2.8	2.5	2.5
Neighborhood Betterment	3.6	2.9	2.8	2.6
Economic Development				
Leisure Time Activities				
Parks and Recreation	1.3	1.5	1.6	2.1
Transportation and Street Repair				
Street	10.0	9.4	10.0	10.0
State Highway	1.0	1.0	1.0	1.0
Public Health and Welfare				
Cemetery	1.5	1.5	1.5	1.0
Basic Utility Service				
Water	17.4	16.6	16.6	16.6
Sewer	21.7	22.5	21.9	21.9
Sanitation	1.1	1.1	1.6	2.1
Internal Service				
ITS	3.0	3.0	2.8	2.9
Equipment Services	7.1	7.1	7.1	7.1
Total	<u>257.5</u>	<u>254.3</u>	<u>257.0</u>	<u>255.1</u>

Source: Various City Departments

(1) Information obtained from department annual reports.

2011	2012	2013	2014	2015	2016
1.4	1.4	1.4	1.4	1.4	1.4
26.2	26.6	27.1	27.3	28.2	29.2
3.0	3.0	3.0	3.0	3.0	3.0
13.2	11.6	12.6	12.6	12.5	13.0
2.5	2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.5	1.5	2.5	2.0
5.3	4.5	4.5	4.5	5.4	5.5
8.4	8.4	8.4	8.4	8.5	9.5
2.0	2.0	2.0	2.0	2.0	3.5
42.0	43.0	42.0	43.0	46.0	46.0
17.0	12.5	18.5	19.0	19.0	23.0
47.5	49.5	51.5	51.5	54.5	54.0
5.4	4.2	4.3	4.0	4.0	4.0
2.3	2.3	2.3	3.5	4.8	5.3
3.5	3.6	4.1	4.2	3.2	2.3
0.0	0.0	1.5	1.5	2.0	2.2
2.1	2.2	2.5	2.8	2.6	2.6
10.1	10.4	11.4	12.4	11.9	11.9
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.5	1.5	1.5
16.7	15.7	18.7	17.4	17.6	17.6
22.1	21.1	17.8	18.4	18.6	18.6
1.1	1.6	1.6	1.6	2.1	2.1
2.9	2.9	2.9	3.7	3.7	4.0
6.1	5.1	6.1	6.1	6.1	6.6
<u>243.8</u>	<u>236.6</u>	<u>249.7</u>	<u>254.2</u>	<u>264.1</u>	<u>271.8</u>

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

Function/Program	2007	2008	2009	2010
General government				
Municipal Court				
Criminal and Traffic Cases	19,634	18,369	15,728	13,877
Criminal and Traffic Trials	106	83	67	85
Criminal and Traffic Receipts (in 000's)	\$3,034	\$3,245	\$3,035	\$2,791
Civil/Small Claims Cases	2,146	2,410	2,022	2,116
Civil/Small Claims Trials	587	1,190	1,054	965
Civil/Small Claims Receipts (in 000's)	\$729	\$900	\$809	\$874
Security of Persons and Property				
Police				
Calls for Service	34,981	37,250	35,482	35,194
Parking Violations	852	689	979	822
Traffic Violations	6,218	5,986	4,820	4,063
Criminal Citations	3,506	3,740	3,183	1,690
Training Hours	4,008	2,739	3,741	1,814
Fire				
Emergency Responses	6,000	6,214	6,095	6,287
Inspections	1,177	1,200	1,100	889
Training Hours	5,924	5,400	4,487	1,700
Community Environment				
Planning and Development				
Residential Construction Permits Issued	1,044	806	1,048	1,068
Estimated Value of Residential Construction	\$17,515,016	\$10,092,588	\$30,159,074	\$20,844,967
Commercial Construction Permits Issued	359	380	290	312
Estimated value of Commercial Construction	\$17,655,180	\$25,416,559	\$6,188,505	\$6,021,792
Parks and Recreation				
Softball Registrations	86	100	93	65
Weekday Fast-Pitch Registrations (youth) (1)	0	0	0	0
Weekend Softball Tournaments	40	57	64	55
Water				
New Connections	83	68	70	49
Water Main Breaks	42	42	33	44
Average Daily Consumption (millions of gallons)	3.414	3.300	3.300	2.445
Peak Daily Consumption (millions of gallons)	4.690	4.730	4.240	4.258
Total Water Treated (millions of gallons)	1,260	1,202	1,212	1,203
Average Daily Treatment (millions of gallons)	3.4	3.3	3.3	3.3
Hydrants Flushed	1,423	1,423	1,463	1,353
Sewer				
Total Water Treated (millions of gallons)	1,636	1,669	1,530	1,550
Average Daily Treatment (millions of gallons)	4.5	4.6	4.2	4.3

Source: Various City Departments

(1) New youth softball category added in 2014

2011	2012	2013	2014	2015	2016
13,388	13,677	13,516	15,187	14,258	17,124
62	76	70	70	47	52
\$2,747	\$2,634	\$2,792	\$2,768	\$2,801	\$2,738
1,857	1,765	1,672	1,914	1,735	2,036
853	819	429	600	115	133
\$896	\$881	\$743	\$754	\$822	\$903
32,601	34,709	44,920	49,640	49,038	52,754
761	946	1,315	1,439	1,272	1,444
3,947	4,123	5,226	4,585	4,302	4,085
1,362	2,174	2,521	2,640	2,462	2,410
2,595	3,636	3,391	4,397	5,084	6,632
6,464	6,479	6,007	6,479	6,861	7,018
1,300	1,300	1,156	1,087	646	676
2,300	2,300	2,064	2,397	2,831	6,888
1,125	1,120	984	1,114	1,086	1,452
\$25,238,437	\$18,449,074	\$7,012,006	\$14,450,637	\$14,299,730	\$22,288,216
389	395	395	433	457	461
\$5,285,194	\$18,962,948	\$7,012,006	\$5,078,437	\$19,682,700	\$22,279,340
64	63	54	25	28	28
0	0	0	26	21	16
72	72	61	35	36	22
62	68	63	93	40	68
33	55	88	53	59	43
2.415	3.600	3.400	3.460	3.290	3.180
4.012	4.900	5.110	4.310	4.680	4.340
1,200	1,359	1,213	1,140	1,200	1,160
3.5	3.7	3.5	3.5	3.3	3.2
1,500	1,503	1,029	1,496	1,482	1,465
1,943	1,479	1,524	1,479	1,600	1,508
5.3	4.0	4.2	4.4	4.4	4.1

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

Function/Program	2007	2008	2009	2010
Police				
Stations	1	1	1	1
Patrol units	30	30	30	30
Fire Stations	4	4	4	4
Public Works				
Area of City (square miles)	13.41	13.41	13.40	13.41
Streets (lane miles)	294.20	294.94	294.94	296.13
Streetlights	2,495	2,512	2,512	2,506
Parks and Recreation				
Number of Parks	19	19	20	20
Acreage	686.57	686.57	714.30	715.00
Playgrounds	17	17	18	18
Baseball/softball diamonds	15	15	15	15
Soccer/football fields	12	12	12	12
Number of Tennis Courts	14	14	14	14
Municipal Water Department				
Daily Treatment Capacity (millions of gallons)	5.40	5.40	5.40	5.40
Water Mains (miles)	149.37	149.78	149.78	149.93
Fire hydrants	1,457	1,470	1,477	1,412
Sewers				
Daily Treatment Capacity (millions of gallons)	6.00	6.00	6.00	6.00
Storm Sewers (miles)	111.57	112.32	112.32	113.16
Sanitary Sewers (miles)	136.50	136.20	136.50	137.52

Source: Various City Departments

2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
13	13	13	13	14	14
4	4	4	4	4	4
13.41	13.41	13.53	14.01	14.71	14.73
297.27	298.15	299.24	299.52	300.00	301.34
2,514	2,552	2,553	2,553	2,768	2,781
20	20	20	20	20	19
712.33	714.33	714.33	714.33	719.11	689.25
19	19	19	20	20	20
15	15	11	11	10	12
12	12	12	12	12	12
14	14	14	14	10	10
6.50	6.50	6.50	6.50	6.50	6.50
151.78	152.26	152.96	154.06	155.84	158.06
1,493	1,493	1,500	1,505	1,505	1,465
6.00	6.00	6.00	6.00	6.00	6.00
113.82	114.60	114.60	115.08	117.42	121.76
138.02	138.65	138.81	138.93	139.15	141.46



**City of Fairborn
Finance Department
44 West Hebble Avenue
Fairborn, Ohio 45324
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www.ci.fairborn.oh.us**



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CITY OF FAIRBORN, OHIO



Yellow Book Report
December 31, 2016

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

Honorable Mayor, City Council and City Manager
City of Fairborn

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 14, 2017



Dave Yost • Auditor of State

CITY OF FAIRBORN

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 10, 2017**