

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2019

CITY OF FAIRBORN, OHIO

For the year ended December 31, 2019

CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

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
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**CITY OF FAIRBORN
FINANCE DEPARTMENT**

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July 29, 2020

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, 2019. 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 11,000 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. 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, information technology and various retail and hospitality venues.

Recognizing that Fairborn has a unique opportunity to capitalize on its location, economic makeup, 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.

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.

Wright State University's Vishal Soin Innovation Park along Colonel Glenn Highway, adjacent to the technology-based business office space in Wright Executive Park, continues to encourage growth in technology-based fields and will be home to the recently announced Caci Inc., a company that provides information solutions and services in support of national security missions and government transformation for intelligence, defense, and federal civilian customers. The Valle Greene North development continues to see interest with its acres of shovel ready sites available adjacent to the new Kroger Marketplace and the newly completed Menard's Home Improvement Center opening in June 2020. 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 Committee. 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 2019

Economic Development - In 2019, the City continued to focus on its historic downtown area. Spark-Fairborn, a kitchen incubator and co-working space, completed a successful first year of operation with Blue Bike Bakery anchoring the shared kitchen space. The City also engaged Ratio Architects to create a revitalization strategy for the downtown area, and created a façade improvement program utilizing Community Development Block Grant funding.

The City also continued to provide incentive programs that help with growing/transforming the current business and helping move the business to Fairborn. The year 2019 saw many businesses open or break ground including the Menards, Hoshi Ramen, Hector's Taco, the new Fairborn primary school, Pizza Hut, Sassy Sisters Boutique, Sweet & Sassy Boutique, Frontier Self-Storage, DeCoach Rehab, ACERT Healthcare Training, 55 Rivers Cold Brew, Fairborn Theater, Goodwill, and the completion and dedication of two Habitat for Humanity Homes.

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 replaced 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 \$2.3 million dollars in 2019, and is used for police and fire equipment and vehicles, as well as a portion of the police and fire personnel costs.

Streets - Residents also approved in 2014 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 generated approximately \$2.3 million in 2019.

Annually, a street program is undertaken that addresses streets that need repair or treatments to extend their useful life. The 2019 Street Program included a variety of treatments that covered 15 street segments. The treatment types included asphalt milling and resurfacing, base repairs and resurfacing. The work covered approximately 4 centerline miles of streets.

Ahead of the street program, a curb-sidewalk-approach (CSA) program is typically performed. This program replaces deteriorated concrete infrastructure between the street and right-of-way line and is performed the year before planned street work is conducted. The 2020 CSA program was postponed and will be completed at a later date. It is built with the Americans with Disabilities Act (ADA) curb ramp program, which constructs or reconstructs ramps to ADA standards.

Several major street renovation projects were also undertaken in 2019, including a roundabout at the intersection of Colonel Glenn Highway and Kauffman Avenue and the widening of Kauffman Avenue. A safety grant of \$300,000 was received through the Ohio Department of Transportation (ODOT) Safety Program to help cover the costs of the new roundabout. The project also received funds from ODOT's Surface Transportation Program (STP) in the amounts of \$336,624 and \$1,110,778, as well as an Ohio Public Works Commission grant in the amount of \$1,000,000. This project added an additional lane to southbound Kauffman Avenue, resurfaced the entire roadway of Kauffman Avenue from Lindberg Avenue to just past Colonel Glenn Highway, made signal improvements at Kauffman Avenue and Garland Avenue, and installed a new roundabout at Kauffman Avenue and Colonel Glenn Highway. This project will be finished in May of 2020.

Phase 1 of the Broad Street improvements project will be completed in the summer of 2020. The project included widening from 2 lanes to 3 lanes, installation of curb and gutter, new storm sewer and the installation of a ten-foot wide bike path from Sandhill Road to Spangler Road. The project was partially funded by a \$959,365 ODOT Surface Transportation Program (STP) grant and a not-to-exceed \$400,000 loan from the Ohio Public Works Commission.

The Chapelgate Road extension was completed in 2019 and included the construction of a new cul-de-sac north of Xenia Drive with new storm sewer, sidewalk, asphalt roadway and curb and gutter. This project was partially funded from an Ohio 629 grant for \$224,000 and Ohio JAC grant for \$111,000.

The Xenia Drive waterline and resurfacing project began in 2019 and will be finished in spring of 2020. This project includes the replacement of the waterline along Xenia Drive from Broad Street to Dayton Drive, and the resurfacing of the roadway with the replacement of a couple of storm water catch basins. This project was partially funded by ODOT's Urban Paving Program in the amount of \$307,390.

Water and Sewer - As with most cities of similar vintage, the City of Fairborn is beginning to see condition concerns as the water and sewer infrastructure ages. Assets are continually being evaluated to determine needs for renovation or replacement, their ability to meet current and future needs, and methods that can be utilized to extend the life of this important and expensive infrastructure.

In an effort to address older, problematic infrastructure, water main replacement projects are being paired with major street improvements. In 2019, this included the replacement and upsizing of 6-inch cast iron main with 8-inch ductile iron main on Xenia Drive from Broad Street to Dayton Drive. All service lines, the majority of which were galvanized iron, were also replaced with new copper service lines to the property line.

In 2019, two clarifiers at the Water Reclamation Center were renovated with metal repair and application of a protective coating to extend operational life. A new jet truck was purchased to ensure the ability to respond to sewer emergencies as well as performing routine cleaning and hydro excavation. The former front-line vehicle has been placed in reserve to provide backup or for use by a second crew when needed.

Parks – The City received a grant from the National Fitness Campaign for the installation of a state-of-the-art outdoor fitness court, joining the cities of Cincinnati and Cleveland as only the third such fitness court in Ohio. Community Park's largest and most utilized Shelter #2 received a new standing seam metal roof. Fairfield Park's concession stand and maintenance building received a new roof, new doors and some siding repairs.

Plant Maintenance – Buildings currently residing on City property on Kauffman Avenue were demolished to make way for construction of the new public works facility scheduled for construction in 2020. A new roof was installed on the public library. The Government Center received upgraded lighting in the parking lot and around the exterior of the building. The Court building was completely repainted inside.

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 467 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.

Maple Avenue between Dayton Drive and Dayton-Yellow Springs Road will be improved over the next several years. Improvements will include narrowing the roadway, creating a consistent three-lane cross section to help calm traffic, and installing a ten-foot bike path along the corridor. The waterline will also be replaced and/or upsized along the roadway according to the water master plan. Phase 1 of this project, going from Dayton Drive to Doris Drive, received a STP grant from ODOT and the Miami Valley Regional Planning Commission (MVRPC) for \$1,297,344, and an Ohio Public Works Commission (OPWC) grant for \$800,000. Phase 2, from Doris Drive to Dayton-Yellow Springs Road, received a STP Grant from ODOT and MVRPC for \$1,754,344, and an OPWC Grant for \$1,000,000.

Broad Street will also be improved over the next several years from Dayton Drive to Spangler Road. Improvements will include bicycle facilities in the form of striped bike lanes near downtown, and a separated path as you leave town down to I-675. The projects will also create a more consistent roadway cross section throughout the corridor. This project has been broken down into four phases and three of the phases have already been approved for grant funding thru ODOT. Phase 1 is under construction, phase 2 from Dayton Drive to Pierce Drive received a TA grant from ODOT and the MVRPC for \$350,000, and phase 3 from Central Avenue to Sandhill Road received a STP grant from ODOT and MVRPC for \$1,518,870.

Yellow Springs Fairfield Road will also be improved and a ten-foot wide bike path will be installed from Spangler Road to the eastern corporation limit. The road will also receive curb and gutter and will be widened at Black Lane with left turn lanes. This project received a STP grant from ODOT and MVRPC for \$1,163,745, and an OPWC loan for \$1,000,000.

Central Avenue is being reconstructed from Dayton Drive to Lindberg Avenue. This project will have the road base replaced, and new storm water inlets installed. This project received Urban Paving Dollars from ODOT in the amount of \$232,050 and an Ohio Public Works Commission loan for \$500,000.

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.

Pairing water main replacement with street projects will continue in 2020 with the replacement of cast iron main on Maple Avenue from Dayton Drive to Doris Drive and the design of the Phase 2 Maple Avenue water main improvements from Doris Drive to Five Points.

In 2019, design was undertaken of a new well to replace a failing, low capacity 1970's vintage unit. The new well will be installed in 2020 and will feature a variable frequency drive and high capacity pumping capabilities. It will be connected to the well field generator to provide automatic operation even during loss of power, and to the SCADA system to allow for monitoring, alarm notifications, and operation based on plant demand.

Sewer mains will be lined in areas that have been identified as having condition concerns based on City televising efforts. The lining process, which requires no excavation, results in regained pipe capacity, reduced entry of ground and surface water into the sanitary sewer system, and extends the infrastructure's life by fifty years or more.

Parks - Community Park's basketball court will have lights added to it so the City will now have two lighted courts for residents to enjoy. Sandhill Park's dog park, the Fairborn Wag Pad, will receive a permanent restroom facility. Osborn Park will see the installation of a "pump track" which will pair nicely with the existing skate park currently located in that park.

Plant Maintenance - The municipal court building will be completely re-carpeted in 2020 and the City garage will see renovations and a roof reseal. The Government Center will have all the internal lights changed over to LED, providing a savings in electrical and maintenance costs. The Government Center will also get a much-needed update to all its restroom facilities. The building housing the public library will get the much needed relining of its copper gutters.

Economic Development - In today's climate, economic development is a very challenging endeavor. Many communities focus their efforts on the recruitment of large employers. With so many cities concentrating on this type of development, the likelihood of success is marginal at best. Over the last three years, the City of Fairborn has focused economic development efforts on the revitalization of the downtown area, the retention and expansion of current businesses, the cultivation of small startup businesses within the City, as well as preparing the areas adjacent to Wright State University and Wright-Patterson Air Force Base for redevelopment.

Business outreach activity will build upon last year's efforts. Specifically, the economic development team will continue to focus on meeting with current businesses to gain a greater understanding of their current positions and needs. Staff does not come empty handed to these meetings as we offer incentive programs that help with growing/transforming the current business and helping move the business to Fairborn.

Revitalization is a key long-term project moving forward and the City continues to see growth and new developments with the opening of Goodwill, the expansion of Speedway, the opening of Menards, the opening of the new Fairborn Primary School, the start of construction on the new Fairborn Intermediate School, and improvements to City streets with significant road projects planned.

Other specific areas of focus include all property adjacent to Wright-Patterson Air Force Base including the Broad Street central business district, Kauffman Avenue, and National Road, as well as the Colonel Glenn/Kauffman Avenue area near Wright State University. Multiple buildings have been acquired and demolished to allow for redevelopment, which will allow the community to capitalize on the needs and draw of Wright State University and Wright-Patterson Air Force Base.

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. The 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. With the completion of the Bluffs on Trebein, the City looks forward to a continued partnership with Fischer Home as development begins on Arden Place, a new 162 single-family home development just north of the Bluffs of Trebein. Other notable developments under construction include Section 11 of Ryan Homes' Waterford Landing subdivision and Redwood's Fairfield Oakes (high-end "empty nester" rentals). Sales and rentals in each of these communities have been robust. In addition to the new housing developments taking place, the City recently began a housing strategy initiative that seeks to establish housing solutions, not only for new housing units, but also areas of improvements in existing neighborhoods and business areas around the City.

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 "A City in Motion" 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 department. 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 custodial 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 that 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, 2019, 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, 2018. This was the thirtieth 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, 2019, 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, 2018

Christopher P. Morill

Executive Director/CEO

City of Fairborn, Ohio

Principal Officials

December 31, 2019

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Paul Keller, Mayor

Colin Morrow, Deputy Mayor

Rob Hoffman, Council Member

Donna Wilson, Council Member

Clint Allen, Council Member

Kevin Knepp, Council Member

Tana Stanton, Council Member

CITY MANAGER

Rob Anderson

CITY SOLICITOR

Michael Mayer

FINANCE DIRECTOR

Randall J. Groves

ASSISTANT FINANCE DIRECTOR

Annetta L. Williams

Citizen Boards and Committees

Audit Committee

Board of Adjudication

Board of Tax Appeals

Communications Advisory Board

Community Reinvestment Area Housing Council

Mayor's Beautification Committee

Neighborhood Betterment

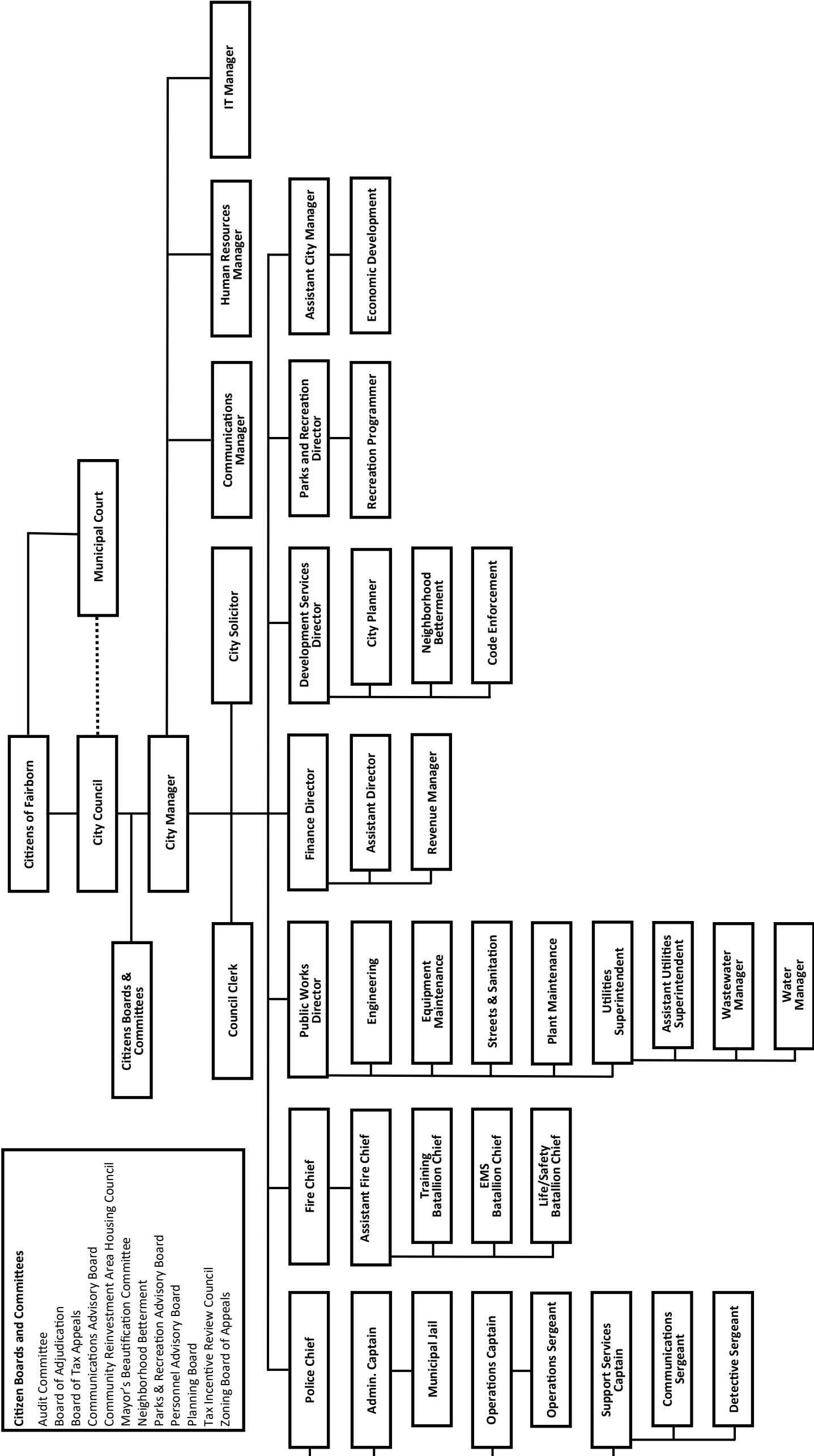
Parks & Recreation Advisory Board

Personnel Advisory Board

Planning Board

Tax Incentive Review Council

Zoning Board of Appeals



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, 2019, 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, 2019, 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, County Motor Vehicle Tax Fund, and Public Safety Police/Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
July 29, 2020

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(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, 2019, 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 and GASB 75, the City was required to report a net pension liability (asset) and a net post-employment benefit other than pension liability (OPEB). For reasons discussed below in The City as a Whole and detailed in Notes 12 and 13, reporting the net pension liability (asset) and net OPEB liability distorts the financial statements causing a significant reduction to net position of governmental activities and business-type activities. The net pension liability for governmental activities increased 44 percent to \$44.8 million and the net OPEB liability decreased 63 percent to \$10 million. The net pension liability for business-type activities increased 82 percent to \$4.2 million and the net OPEB liability increased 24 percent to \$2 million.
- The effects of GASB 68 and GASB 75 thus also significantly affected the total net position of governmental activities which realized an increase of 45 percent to \$50.5 million, driven mainly by a change to the OPEB benefit plan by the Ohio Police and Fire pensions system (OP&F). Governmental activities total net position now makes up 66 percent of the City's total net position. Business-type activities total net position decreased four percent to \$25.6 million.
- The net pension and net OPEB liabilities also significantly influenced unrestricted net position of governmental activities, which is now deficit. Unrestricted net position of governmental activities increased 31 percent in 2019 to negative \$26.7 million. Unrestricted business-type activities net position decreased 20 percent to \$8.1 million.
- Net Investment in Capital Assets for governmental activities increased 4 percent to \$63.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds is presented in the fund financial statements that begin on page 20. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and some by bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General, Fire and EMS, Police, County Motor Vehicle Tax, Public Safety Police/Fire, Water, Sewer, and Sanitation funds.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(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 2019 compared to 2018.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

| Table 1 Net Position | | | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | | Change |
| | 2019 | Restated 2018 | 2019 | 2018 | 2019 | Restated 2018 | |
| Assets: | | | | | | | |
| Current Assets | \$38,311,380 | \$36,178,342 | \$14,261,289 | \$15,372,998 | \$52,572,669 | \$51,551,340 | \$1,021,329 |
| Net Pension Asset | 55,764 | 81,187 | 16,655 | 24,253 | 72,419 | 105,440 | (33,021) |
| Capital Assets, Net | 74,811,424 | 71,934,724 | 36,403,254 | 36,058,277 | 111,214,678 | 107,993,001 | 3,221,677 |
| Total Assets | 113,178,568 | 108,194,253 | 50,681,198 | 51,455,528 | 163,859,766 | 159,649,781 | 4,209,985 |
| Deferred Outflow of Resources: | | | | | | | |
| Deferred Charges on Refunding | 0 | 0 | 79,340 | 97,475 | 79,340 | 97,475 | (18,135) |
| Pension | 12,877,267 | 6,070,478 | 1,354,194 | 640,977 | 14,231,461 | 6,711,455 | 7,520,006 |
| OPEB | 3,178,276 | 3,267,653 | 211,764 | 150,291 | 3,390,040 | 3,417,944 | (27,904) |
| Total Deferred Outflow of Resources | 16,055,543 | 9,338,131 | 1,645,298 | 888,743 | 17,700,841 | 10,226,874 | 7,473,967 |
| Liabilities: | | | | | | | |
| Current and other liabilities | 6,022,893 | 7,772,849 | 1,563,831 | 1,717,080 | 7,586,724 | 9,489,929 | (1,903,205) |
| Long-Term Liabilities: | | | | | | | |
| Net Pension Liability | 44,772,648 | 30,993,420 | 4,205,243 | 2,306,106 | 48,977,891 | 33,299,526 | 15,678,365 |
| Net OPEB Liability | 10,024,989 | 26,790,170 | 1,971,617 | 1,584,746 | 11,996,606 | 28,374,916 | (16,378,310) |
| Other Amounts | 10,034,513 | 7,748,582 | 18,916,580 | 19,496,340 | 28,951,093 | 27,244,922 | 1,706,171 |
| Total Liabilities | 70,855,043 | 73,305,021 | 26,657,271 | 25,104,272 | 97,512,314 | 98,409,293 | (896,979) |
| Deferred Inflow of Resources: | | | | | | | |
| Property Tax | 5,200,470 | 5,094,379 | 0 | 0 | 5,200,470 | 5,094,379 | 106,091 |
| Revenue In Lieu Of Taxes | 702,786 | 511,622 | 0 | 0 | 702,786 | 511,622 | 191,164 |
| Pension | 755,206 | 3,178,550 | 62,023 | 555,442 | 817,229 | 3,733,992 | (2,916,763) |
| OPEB | 1,198,787 | 645,003 | 5,349 | 118,053 | 1,204,136 | 763,056 | 441,080 |
| Total Deferred Inflows of Resources | 7,857,249 | 9,429,554 | 67,372 | 673,495 | 7,924,621 | 10,103,049 | (2,178,428) |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 63,758,772 | 61,482,208 | 17,509,040 | 16,390,665 | 81,267,812 | 77,872,873 | 3,394,939 |
| Restricted | 13,476,539 | 11,824,721 | 0 | 0 | 13,476,539 | 11,824,721 | 1,651,818 |
| Unrestricted (Deficit) | (26,713,492) | (38,509,120) | 8,092,813 | 10,175,839 | (18,620,679) | (28,333,281) | 9,712,602 |
| Total Net Position | \$50,521,819 | \$34,797,809 | \$25,601,853 | \$26,566,504 | \$76,123,672 | \$61,364,313 | \$14,759,359 |

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019, and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The City also adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.” 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB and net pension asset.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective: Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service, minus plan assets available to pay these benefits.

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and the net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$1,805,656 in 2018 to a negative OPEB expense of \$16,790,282 for 2019.

Governmental activities net position makes up 66 percent of the City's total net position. The unrestricted net position of governmental activities increased in 2019 by \$11.8 million. Current assets increased six percent due to an increase in receivables driven mainly by an increase in intergovernmental receivables from local government funds, gasoline tax, and the transportation grants received for the Kauffman Avenue roundabout construction. Unrestricted net position of business-type activities decreased by \$2.1 million, and the total net position of the City as a whole increased by 24 percent to \$76.1 million.

Table 2 shows the changes in net position for the year ended December 31, 2019, compared to 2018.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

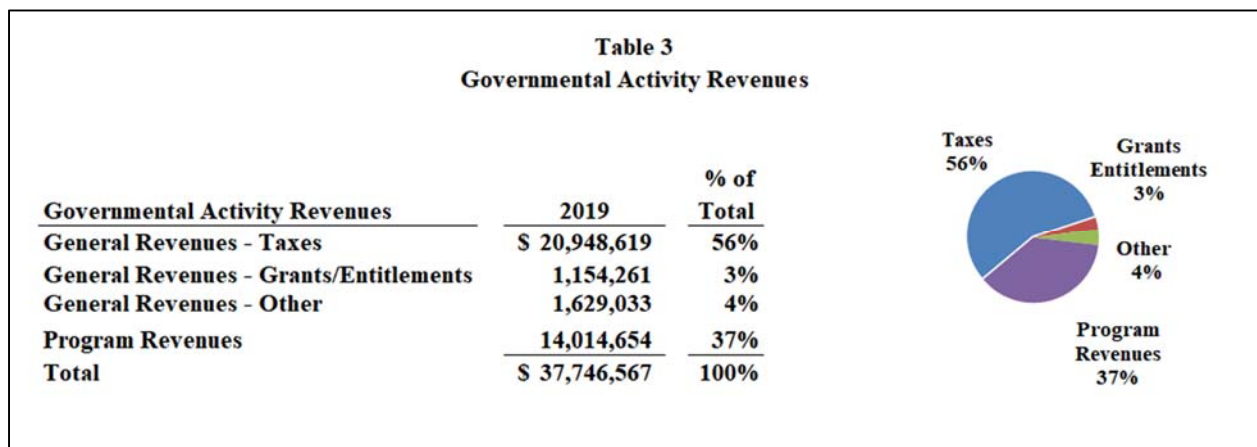
| Table 2 Changes in Net Position | | | | | | |
|---|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$7,089,762 | \$7,746,751 | \$13,800,126 | \$13,578,444 | \$20,889,888 | \$21,325,195 |
| Operating Grants and Contributions | 6,583,089 | 4,554,107 | 0 | 0 | 6,583,089 | 4,554,107 |
| Capital Grants and Contributions | 341,803 | 997,091 | 180,500 | 120,650 | 522,303 | 1,117,741 |
| Total Program Revenues | 14,014,654 | 13,297,949 | 13,980,626 | 13,699,094 | 27,995,280 | 26,997,043 |
| General Revenues: | | | | | | |
| Property Taxes | 5,408,405 | 5,196,515 | 0 | 0 | 5,408,405 | 5,196,515 |
| Other Local Taxes | 842,432 | 896,209 | 0 | 0 | 842,432 | 896,209 |
| Revenue in Lieu of Taxes | 728,180 | 592,090 | 0 | 0 | 728,180 | 592,090 |
| Income Taxes | 13,969,602 | 13,479,882 | 0 | 0 | 13,969,602 | 13,479,882 |
| Grants and Entitlements not Restricted to Specific Programs | 1,154,261 | 986,697 | 0 | 0 | 1,154,261 | 986,697 |
| Investment Earnings | 737,247 | 448,000 | 63,884 | 71,411 | 801,131 | 519,411 |
| Other | 891,786 | 697,406 | 225,855 | 204,141 | 1,117,641 | 901,547 |
| Total General Revenues | 23,731,913 | 22,296,799 | 289,739 | 275,552 | 24,021,652 | 22,572,351 |
| Total Revenues | 37,746,567 | 35,594,748 | 14,270,365 | 13,974,646 | 52,016,932 | 49,569,394 |
| Program Expenses: | | | | | | |
| General Government | 13,054,969 | 12,114,843 | 0 | 0 | 13,054,969 | 12,114,843 |
| Public Safety | 2,731,748 | 21,071,688 | 0 | 0 | 2,731,748 | 21,071,688 |
| Leisure Time Activities | 536,633 | 624,857 | 0 | 0 | 536,633 | 624,857 |
| Community Development | 2,216,799 | 3,138,321 | 0 | 0 | 2,216,799 | 3,138,321 |
| Transportation and Street Repair | 2,914,006 | 4,993,499 | 0 | 0 | 2,914,006 | 4,993,499 |
| Public Health and Welfare | 149,716 | 118,836 | 0 | 0 | 149,716 | 118,836 |
| Interest and Fiscal Charges | 418,686 | 411,131 | 0 | 0 | 418,686 | 411,131 |
| Water | 0 | 0 | 4,360,322 | 4,686,146 | 4,360,322 | 4,686,146 |
| Sewer | 0 | 0 | 7,623,935 | 6,575,149 | 7,623,935 | 6,575,149 |
| Sanitation | 0 | 0 | 3,250,759 | 3,050,745 | 3,250,759 | 3,050,745 |
| Total Expenses | 22,022,557 | 42,473,175 | 15,235,016 | 14,312,040 | 37,257,573 | 56,785,215 |
| Change in Net Position | 15,724,010 | (6,878,427) | (964,651) | (337,394) | 14,759,359 | (7,215,821) |
| Net Position January 1 | 34,797,809 | 41,676,236 | 26,566,504 | 26,903,898 | 61,364,313 | 68,580,134 |
| Net Position December 31 | \$50,521,819 | \$34,797,809 | \$25,601,853 | \$26,566,504 | \$76,123,672 | \$61,364,313 |

Governmental Activities

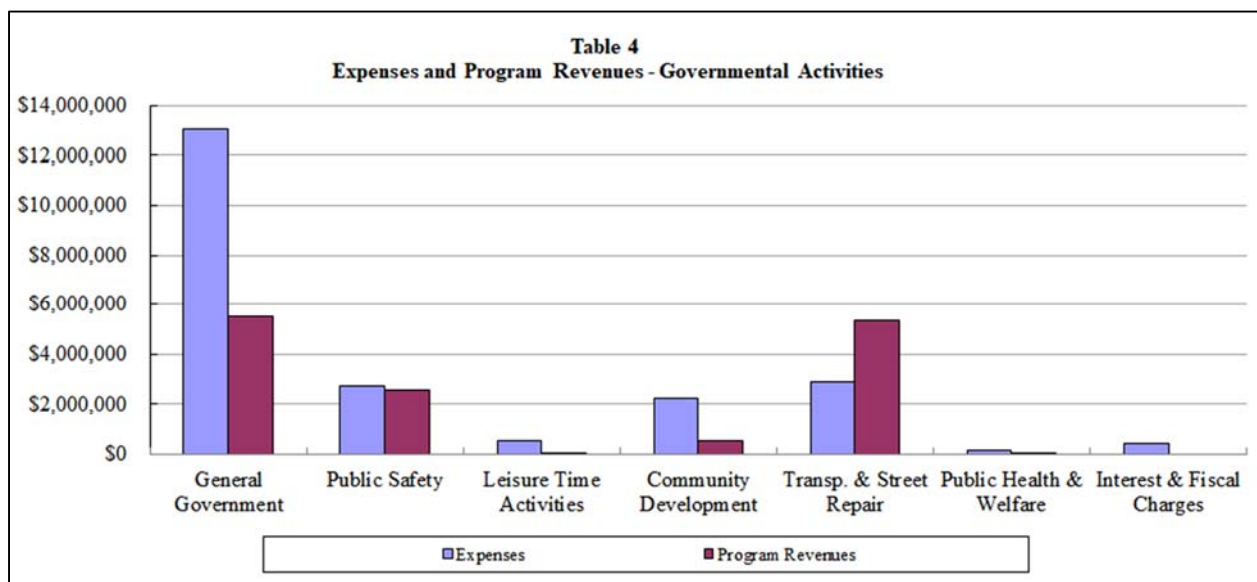
The City's governmental activity expenses are funded partially through program revenues consisting of charges for services and operating and capital grants and contributions. Program revenues increased five percent in 2019 as increases to operating grants and contributions more than offset decreases in charges for services and capital grants and contributions. Program revenues still make up only 37 percent of total governmental activity revenues in 2019, 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, 2019
(Unaudited)

General revenues fund the vast majority of governmental activities and consist mainly of property and income taxes. With property taxes and income taxes both increasing four percent, total general revenues increased \$1.4 million in 2019 and exceeded 2018 general revenues by 6.4 percent. The City's reliance upon tax revenues from property owners, residents, and non-residents working in the City is demonstrated in Table 3, which shows that tax revenues account for 56 percent of total governmental activity revenues. The City's income tax is 1.5 percent of all salaries, wages, commissions and other compensation, and net profits earned from residents living within the City, as well as salaries and wages earned by non-residents that work within the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.



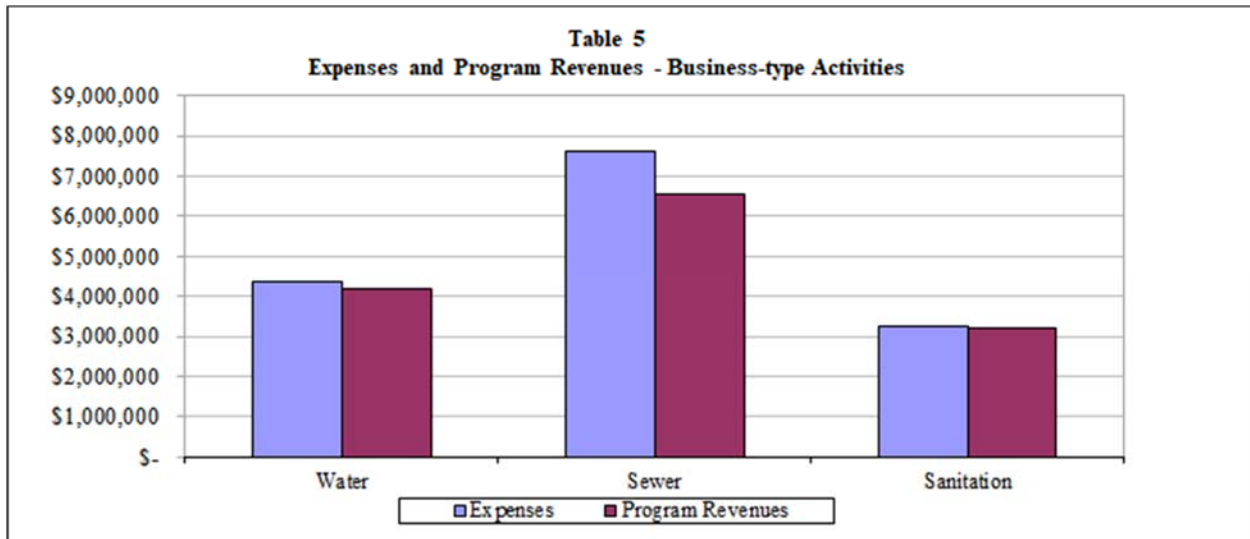
Governmental activity expenses decreased 48 percent in 2019 yet still exceeded program revenues by \$8 million. With an infusion of a total of \$23.7 million of general revenues, the City realized a \$15.7 million increase in the net position of governmental activities to \$50.5 million at December 31, 2019. Table 4 demonstrates graphically the disparity between governmental activities expenses and the program revenues that are generated to support these services.



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Business-type Activities

Expenses in the business-type activities exceeded revenues by \$0.96 million and net position fell four percent to \$25.6 million. Net position of the City's Water and Sewer Funds constitute 95 percent of the business-type activities net position, with the Sanitation Fund making up the remainder. Business-type activities receive no support from tax revenues. Table 5 summarizes 2019 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 five major governmental funds including the General, Fire and EMS, Police, County Motor Vehicle Tax, and Public Safety Police/Fire, which combine for 72 percent of all governmental fund balances and 70 percent of the governmental funds' total assets of \$37.4 million.

General Fund: General Fund revenues were nearly four percent greater in 2019 than the previous year, due mostly to increases in property taxes, municipal income taxes, and investment earnings. With General Fund expenditures and transfers slightly less in 2019 than the previous year, the General Fund balance increased nearly 2 percent to \$9.3 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. Total property tax collections in the Fire and EMS Fund were \$2.2 million in 2019, the third year of tax collections from the 4.4 mill fire and EMS renewal levy approved by

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voters in March 2016. 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 \$1.2 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 2019 were 1.2 percent greater than the previous year due to the increases to wages and health insurance expenditures. Accrued expenditures exceeded accrued revenues at year-end reducing the December 31, 2019, fund balance to \$0.3 million.

Police Fund: Police operations are accounted for in the Police Fund, which also benefits from a five-year 4.4 mill renewal property tax levy approved in March 2016, which raised \$2.2 million in 2019, the third 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 2019 totaled \$3.85 million.

Expenditures in 2019 were about 1.4 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, 2019, fund balance to nearly \$0.04 million.

County Motor Vehicle Tax Fund: In November 2014, City residents approved a renewal of the ten-year 0.25 percent income tax levy for funding street maintenance, repair, and resurfacing for the years 2015 through 2024. This levy raised \$2.1 million in 2019 for this fund, which also receives project financing in the form of intergovernmental permissive motor vehicle license tax distributions and state and federal grants which totaled \$2.5 million. Accrued expenditures exceeded accrued revenues and the fund balance decreased 3.7 percent to \$2.6 million. Major projects funded in 2019 included the Kauffman Avenue widening, Xenia Drive resurfacing improvements, and the construction of the Ali Roadway.

Public Safety Police/Fire Fund: The Public Safety Police/Fire Fund accounts for the 0.25 percent income tax levy voters approved in November of 2014 for police and fire vehicles, equipment, and personnel. The ten-year levy generated \$2.3 million in revenues in 2019. Accrued expenditures exceeded accrued revenues and transfers and the fund balance decreased to \$0.6 million.

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 2019 to exceed revenues and other sources by \$0.9 million. The final budget for revenues was slightly lower than the original budget as a decrease in expected municipal income taxes, other local taxes, and fines, licenses and permits exceeded an increase in expected charges for services, investment earnings, and intergovernmental. The final budget for expenditures was greater than the original budget by nearly three percent, mostly due to unbudgeted capital needs and the need to increase the transfer-out to the Fire and EMS fund. As a result, the final budget's projected net change to the fund balance increased to negative \$1.4 million.

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General Fund actual revenues were ever so slightly higher than the final budget with actual revenue equal to or exceeding budget estimates for all revenues except municipal income and other local taxes. Municipal income taxes actual revenue fell about one percent short of the final budget as fourth quarter revenues were less than expected. General Fund actual expenditures and other financing uses were two percent less than the final budgeted amounts due to actual expenditures on salaries and health insurance coming in less than budgeted. As a result, the General Fund balance actually decreased by only \$0.9 million to \$7.5 million, a better outcome than what was finally budgeted.

Transfers-out of \$7.7 million were used to subsidize various City operations including police, fire, community redevelopment, 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; the downtown Wi-Fi project, replacing downtown streetlight lenses, and debt associated with the dispatch center improvements. Transfers to the Fire and EMS Fund in the amount of \$2.98 million and to the Police Fund in the amount of \$3.85 million, make up 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 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$19,286,299 | \$18,608,114 | \$159,633 | \$159,633 | \$19,445,932 | \$18,767,747 |
| Construction in Progress | 5,627,354 | 1,974,726 | 959,806 | 2,594,654 | 6,587,160 | 4,569,380 |
| Buildings | 12,240,584 | 12,288,292 | 15,195,606 | 14,970,230 | 27,436,190 | 27,258,522 |
| Improvements Other Than Buildings | 822,650 | 917,945 | 3,467,322 | 3,809,373 | 4,289,972 | 4,727,318 |
| Machinery and Equipment | 1,993,169 | 2,092,526 | 3,424,938 | 3,080,292 | 5,418,107 | 5,172,818 |
| Vehicles | 3,549,911 | 3,549,985 | 1,080,170 | 772,720 | 4,630,081 | 4,322,705 |
| Infrastructure | 31,291,457 | 32,503,136 | 12,115,779 | 10,671,375 | 43,407,236 | 43,174,511 |
| Total | \$74,811,424 | \$71,934,724 | \$36,403,254 | \$36,058,277 | \$111,214,678 | \$107,993,001 |

Total capital assets used in governmental activities are \$2.9 million greater than the previous year. The \$3.7 million increase in construction in progress is due to the Kauffman Avenue widening and roundabout and other smaller street projects in progress. The \$0.7 million increase in land is due to the City's street additions, developer donated properties, and the City's acquisition of downtown parcels. The \$1.2 million decrease in infrastructure is mostly from depreciation. The net effect of

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all additions, deletions, and depreciation to capital assets used in business-type activities was a one percent increase. Construction in progress in business-type activities decreased \$1.6 million from 2018 as the cost of construction projects completed in 2019 exceeded those projects that had been started but not completed at year-end. 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 2019 and 2018 long-term debt activity of governmental and business-type activities.

| Table 7 | | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| Outstanding Long-term Obligations at Year End | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Long-term Notes | \$6,455,998 | \$4,010,555 | \$6,827,540 | \$6,828,909 | \$13,283,538 | \$10,839,464 |
| General Obligation Bonds | 0 | 0 | 6,687,340 | 6,824,831 | 6,687,340 | 6,824,831 |
| Tax Increment Financing Bonds | 1,038,944 | 1,131,498 | 0 | 0 | 1,038,944 | 1,131,498 |
| Refunding Bonds | 0 | 0 | 5,076,322 | 5,541,045 | 5,076,322 | 5,541,045 |
| Special Assessment Bonds | 269,000 | 230,000 | 40,000 | 50,000 | 309,000 | 280,000 |
| Loans | 308,258 | 319,467 | 0 | 0 | 308,258 | 319,467 |
| Landfill Closure and Postclosure | 0 | 0 | 39,571 | 24,462 | 39,571 | 24,462 |
| Claims Payable | 477,325 | 587,099 | 0 | 0 | 477,325 | 587,099 |
| Compensated Absences Payable | 1,484,988 | 1,469,963 | 245,807 | 227,093 | 1,730,795 | 1,697,056 |
| Net Pension Liability | | | | | | |
| OP&F | 30,694,228 | 23,272,972 | 0 | 0 | 30,694,228 | 23,272,972 |
| OPERS | 14,078,420 | 7,720,448 | 4,205,243 | 2,306,106 | 18,283,663 | 10,026,554 |
| Total Net Pension Liability | 44,772,648 | 30,993,420 | 4,205,243 | 2,306,106 | 48,977,891 | 33,299,526 |
| Net OPEB Liability | | | | | | |
| OP&F | 3,424,358 | 21,484,713 | 0 | 0 | 3,424,358 | 21,484,713 |
| OPERS | 6,600,631 | 5,305,457 | 1,971,617 | 1,584,746 | 8,572,248 | 6,890,203 |
| Total Net OPEB Liability | 10,024,989 | 26,790,170 | 1,971,617 | 1,584,746 | 11,996,606 | 28,374,916 |
| Totals | <u>\$64,832,150</u> | <u>\$65,532,172</u> | <u>\$25,093,440</u> | <u>\$23,387,192</u> | <u>\$89,925,590</u> | <u>\$88,919,364</u> |

Long-term obligations include the net pension liability per GASB 68 as well as the net OPEB liability per GASB 75. Governmental activity total debt decreased by one percent and business-type activity total debt increased by seven percent in 2019. These changes were due mainly to changes in the net pension and net OPEB liabilities. As indicated above in The City as a Whole section, changes in pension and other postemployment benefits, contribution rates, and return on investments affect the balance of the net pension and net OPEB liabilities.

See Note 16 in the notes to the basic financial statements for further details on the City's long-term obligations.

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For the Year Ended December 31, 2019
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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, located at 44 West Hebble Avenue, Fairborn, Ohio 45324; by phone at 937-754-3005 or through the City's website at www.fairbornoh.gov/dept/finance.



City of Fairborn, Ohio
Statement of Net Position
December 31, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$20,115,483 | \$11,549,894 | \$31,665,377 |
| Property Taxes Receivable | 5,501,070 | 0 | 5,501,070 |
| Other Local Taxes Receivable | 110,816 | 0 | 110,816 |
| Municipal Income Taxes Receivable | 5,473,369 | 0 | 5,473,369 |
| Revenue in Lieu of Taxes Receivable | 702,786 | 0 | 702,786 |
| Accounts Receivable | 828,455 | 1,893,583 | 2,722,038 |
| Intergovernmental Receivable | 2,753,667 | 0 | 2,753,667 |
| Accrued Interest Receivable | 48,034 | 0 | 48,034 |
| Internal Balances | (365,132) | 365,132 | 0 |
| Special Assessments Receivable | 278,666 | 40,000 | 318,666 |
| Loans Receivable | 500,000 | 0 | 500,000 |
| Assets Held for Resale | 2,088,201 | 0 | 2,088,201 |
| Materials and Supplies Inventory | 275,965 | 412,680 | 688,645 |
| Net Pension Asset | 55,764 | 16,655 | 72,419 |
| Nondepreciable Capital Assets | 24,913,653 | 1,119,439 | 26,033,092 |
| Depreciable Capital Assets, net | 49,897,771 | 35,283,815 | 85,181,586 |
| <i>Total Assets</i> | <u>113,178,568</u> | <u>50,681,198</u> | <u>163,859,766</u> |
| Deferred Outflows of Resources: | | | |
| Deferred Charge on Refunding | 0 | 79,340 | 79,340 |
| Pension | 12,877,267 | 1,354,194 | 14,231,461 |
| OPEB | 3,178,276 | 211,764 | 3,390,040 |
| <i>Total Deferred Outflows of Resources</i> | <u>16,055,543</u> | <u>1,645,298</u> | <u>17,700,841</u> |
| Liabilities: | | | |
| Accounts Payable | 472,195 | 624,419 | 1,096,614 |
| Contracts Payable | 1,332,753 | 392,099 | 1,724,852 |
| Retainage Payable | 166,771 | 0 | 166,771 |
| Accrued Wages Payable | 429,221 | 56,657 | 485,878 |
| Intergovernmental Payable | 141,602 | 10,748 | 152,350 |
| Deposits Held and Due to Others | 24,711 | 306,828 | 331,539 |
| Accrued Interest Payable | 142,624 | 170,080 | 312,704 |
| Notes Payable | 3,313,016 | 3,000 | 3,316,016 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,338,430 | 819,000 | 2,157,430 |
| Due in More Than One Year: | | | |
| Net Pension Liability | 44,772,648 | 4,205,243 | 48,977,891 |
| Net OPEB Liability | 10,024,989 | 1,971,617 | 11,996,606 |
| Other Amounts | 8,696,083 | 18,097,580 | 26,793,663 |
| <i>Total Liabilities</i> | <u>70,855,043</u> | <u>26,657,271</u> | <u>97,512,314</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 5,200,470 | 0 | 5,200,470 |
| Revenue in Lieu of Taxes | 702,786 | 0 | 702,786 |
| Pension | 755,206 | 62,023 | 817,229 |
| OPEB | 1,198,787 | 5,349 | 1,204,136 |
| <i>Total Deferred Inflows of Resources</i> | <u>7,857,249</u> | <u>67,372</u> | <u>7,924,621</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 63,758,772 | 17,509,040 | 81,267,812 |
| Restricted for Debt Service | 889,673 | 0 | 889,673 |
| Restricted for Capital Outlay | 1,036,171 | 0 | 1,036,171 |
| Restricted for Public Safety | 2,800,097 | 0 | 2,800,097 |
| Restricted for Transportation and Street Repair | 7,458,965 | 0 | 7,458,965 |
| Restricted for Community Development | 1,291,633 | 0 | 1,291,633 |
| Unrestricted (Deficit) | (26,713,492) | 8,092,813 | (18,620,679) |
| <i>Total Net Position</i> | <u>\$50,521,819</u> | <u>\$25,601,853</u> | <u>\$76,123,672</u> |

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2019

| | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|----------------------|--|--|
| | | Charges for Services | Operating Grants, Contributions and Interest | Capital Grants, Contributions and Interest |
| Governmental Activities: | | | | |
| General Government | \$13,054,969 | \$5,508,487 | \$0 | \$5,930 |
| Public Safety | 2,731,748 | 1,483,093 | 1,103,580 | 0 |
| Leisure Time Activities | 536,633 | 18,251 | 0 | 3,197 |
| Community Development | 2,216,799 | 7,822 | 512,080 | 0 |
| Transportation and Street Repair | 2,914,006 | 40,791 | 4,967,429 | 332,676 |
| Public Health and Welfare | 149,716 | 31,318 | 0 | 0 |
| Interest and Fiscal Charges | 418,686 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>22,022,557</u> | <u>7,089,762</u> | <u>6,583,089</u> | <u>341,803</u> |
| Business-Type Activities: | | | | |
| Water | 4,360,322 | 4,089,684 | 0 | 94,650 |
| Sewer | 7,623,935 | 6,490,299 | 0 | 85,850 |
| Sanitation | 3,250,759 | 3,220,143 | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>15,235,016</u> | <u>13,800,126</u> | <u>0</u> | <u>180,500</u> |
| <i>Totals</i> | <u>\$37,257,573</u> | <u>\$20,889,888</u> | <u>\$6,583,089</u> | <u>\$522,303</u> |

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

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

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 |
| (\$7,540,552) | \$0 | (\$7,540,552) |
| (145,075) | 0 | (145,075) |
| (515,185) | 0 | (515,185) |
| (1,696,897) | 0 | (1,696,897) |
| 2,426,890 | 0 | 2,426,890 |
| (118,398) | 0 | (118,398) |
| (418,686) | 0 | (418,686) |
| (8,007,903) | 0 | (8,007,903) |
| 0 | (175,988) | (175,988) |
| 0 | (1,047,786) | (1,047,786) |
| 0 | (30,616) | (30,616) |
| 0 | (1,254,390) | (1,254,390) |
| (8,007,903) | (1,254,390) | (9,262,293) |
| 877,515 | 0 | 877,515 |
| 2,265,445 | 0 | 2,265,445 |
| 2,265,445 | 0 | 2,265,445 |
| 842,432 | 0 | 842,432 |
| 728,180 | 0 | 728,180 |
| 9,312,525 | 0 | 9,312,525 |
| 2,328,539 | 0 | 2,328,539 |
| 2,328,538 | 0 | 2,328,538 |
| 1,154,261 | 0 | 1,154,261 |
| 737,247 | 63,884 | 801,131 |
| 891,786 | 225,855 | 1,117,641 |
| 23,731,913 | 289,739 | 24,021,652 |
| 15,724,010 | (964,651) | 14,759,359 |
| 34,797,809 | 26,566,504 | 61,364,313 |
| \$50,521,819 | \$25,601,853 | \$76,123,672 |

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

| | General Fund | Fire and EMS Fund | Police Fund |
|--|---------------------|-------------------------|--------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$8,160,194 | \$349,838 | \$184,914 |
| Receivables: | | | |
| Property Taxes | 895,954 | 2,302,558 | 2,302,558 |
| Other Local Taxes | 87,354 | 0 | 0 |
| Municipal Income Taxes | 3,648,025 | 0 | 0 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 |
| Accounts | 0 | 151,474 | 0 |
| Intergovernmental | 556,242 | 135,252 | 149,420 |
| Accrued Interest | 48,034 | 0 | 0 |
| Interfund | 451,000 | 0 | 0 |
| Special Assessments | 7,752 | 0 | 0 |
| Loans | 0 | 0 | 0 |
| Assets Held for Resale | 5,400 | 0 | 0 |
| Materials and Supplies Inventory | 21,949 | 0 | 7,293 |
| Restricted Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | 59,663 | 0 | 0 |
| <i>Total Assets</i> | <u>\$13,941,567</u> | <u>\$2,939,122</u> | <u>\$2,644,185</u> |
| Liabilities: | | | |
| Accounts Payable | \$272,678 | \$33,940 | \$6,800 |
| Contracts Payable | 1,400 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| Accrued Wages Payable | 122,312 | 113,787 | 122,339 |
| Intergovernmental Payable | 42,069 | 35,345 | 39,798 |
| Deposits Held and Due to Others | 0 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>438,459</u> | <u>183,072</u> | <u>168,937</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 844,958 | 2,177,756 | 2,177,756 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 |
| Unavailable Revenue | 3,316,788 | 260,054 | 260,054 |
| <i>Total Deferred Inflows of Resources</i> | <u>4,161,746</u> | <u>2,437,810</u> | <u>2,437,810</u> |
| Fund Balances: | | | |
| Nonspendable | 81,612 | 0 | 7,293 |
| Restricted | 0 | 318,240 | 30,145 |
| Committed | 0 | 0 | 0 |
| Assigned | 3,206,819 | 0 | 0 |
| Unassigned (Deficit) | 6,052,931 | 0 | 0 |
| <i>Total Fund Balances (Deficits)</i> | <u>9,341,362</u> | <u>318,240</u> | <u>37,438</u> |
| <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i> | <u>\$13,941,567</u> | <u>\$2,939,122</u> | <u>\$2,644,185</u> |

See accompanying notes to the basic financial statements

| County Motor Vehicle Tax Fund | Public Safety Police/Fire Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| \$3,367,758 | \$817,174 | \$5,500,501 | \$18,380,379 |
| 0 | 0 | 0 | 5,501,070 |
| 0 | 0 | 23,462 | 110,816 |
| 702,672 | 912,672 | 210,000 | 5,473,369 |
| 0 | 0 | 702,786 | 702,786 |
| 0 | 0 | 676,981 | 828,455 |
| 878,977 | 0 | 1,033,776 | 2,753,667 |
| 0 | 0 | 0 | 48,034 |
| 0 | 0 | 0 | 451,000 |
| 0 | 0 | 270,914 | 278,666 |
| 0 | 0 | 500,000 | 500,000 |
| 0 | 0 | 2,082,801 | 2,088,201 |
| 0 | 0 | 180,021 | 209,263 |
| 0 | 0 | 0 | 59,663 |
| <u>\$4,949,407</u> | <u>\$1,729,846</u> | <u>\$11,181,242</u> | <u>\$37,385,369</u> |
| \$1,110 | \$22,377 | \$56,811 | \$393,716 |
| 1,217,877 | 113,476 | 0 | 1,332,753 |
| 166,771 | 0 | 0 | 166,771 |
| 0 | 0 | 451,000 | 451,000 |
| 0 | 21,748 | 30,601 | 410,787 |
| 2,704 | 8,571 | 9,504 | 137,991 |
| 0 | | 24,711 | 24,711 |
| 0 | 4,298 | 25,471 | 29,769 |
| 0 | 216,597 | 3,096,419 | 3,313,016 |
| <u>1,388,462</u> | <u>387,067</u> | <u>3,694,517</u> | <u>6,260,514</u> |
| 0 | 0 | 0 | 5,200,470 |
| 0 | 0 | 702,786 | 702,786 |
| <u>982,215</u> | <u>715,720</u> | <u>1,854,191</u> | <u>7,389,022</u> |
| <u>982,215</u> | <u>715,720</u> | <u>2,556,977</u> | <u>13,292,278</u> |
| 0 | 0 | 180,021 | 268,926 |
| 2,578,730 | 627,059 | 5,614,997 | 9,169,171 |
| 0 | 0 | 716,683 | 716,683 |
| 0 | 0 | 562,794 | 3,769,613 |
| 0 | 0 | (2,144,747) | 3,908,184 |
| <u>2,578,730</u> | <u>627,059</u> | <u>4,929,748</u> | <u>17,832,577</u> |
| <u>\$4,949,407</u> | <u>\$1,729,846</u> | <u>\$11,181,242</u> | <u>\$37,385,369</u> |

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019*

| | |
|---|---------------------|
| Total Governmental Fund Balances | \$17,832,577 |
|---|---------------------|

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 | 19,286,299 |
| Construction in Progress | 5,627,354 |
| Buildings | 21,779,069 |
| Improvements Other Than Buildings | 2,972,550 |
| Machinery and Equipment | 6,686,374 |
| Vehicles | 8,046,662 |
| Infrastructure | 82,028,422 |
| Accumulated Depreciation | <u>(71,615,306)</u> |

| | |
|-------|------------|
| Total | 74,811,424 |
|-------|------------|

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 | (16,071) |
| Net Pension Asset | (5,067) |
| Capital Assets | (296,403) |
| Deferred Outflows - Pension | (412,146) |
| Deferred Outflows - OPEB | (64,448) |
| Net Pension Liability | 1,279,853 |
| Net OPEB Liability | 600,057 |
| Deferred Inflows - Pension | 18,875 |
| Deferred Inflows - OPEB | 1,628 |
| Compensated Absences Payable | <u>58,016</u> |

| | |
|-------|-----------|
| Total | 1,164,294 |
|-------|-----------|

| | |
|---|-----------|
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. | (365,132) |
|---|-----------|

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 | 300,600 |
| Municipal Income Taxes | 4,293,460 |
| Intergovernmental | 1,816,947 |
| Special Assessments | 278,666 |
| Accounts | 676,981 |
| Accrued Interest | <u>22,368</u> |

| | |
|-------|-------------|
| Total | \$7,389,022 |
|-------|-------------|

(continued)

City of Fairborn, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019
(Continued)

The net pension/OPEB liabilities are not due and payable in the current period;
therefore, the liabilities (asset) and related deferred inflows/outflows are not
reported in the governmental funds:

| | |
|-----------------------------|--------------------|
| Net Pension Asset | \$55,764 |
| Deferred Outflows - Pension | 12,877,267 |
| Deferred Outflows - OPEB | 3,178,276 |
| Net Pension Liability | (44,772,648) |
| Net OPEB Liability | (10,024,989) |
| Deferred Inflows - Pension | (755,206) |
| Deferred Inflows - OPEB | <u>(1,198,787)</u> |

| | |
|-------|--------------|
| Total | (40,640,323) |
|-------|--------------|

| | |
|--|-----------|
| In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due. | (112,855) |
|--|-----------|

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 | (6,430,981) |
| Tax Increment Financing Revenue Bonds | (1,015,000) |
| Special Assessment Bonds | (269,000) |
| OPWC Loan | (308,258) |
| Compensated Absences Payable | (1,484,988) |
| Premium on Debt Issued | <u>(48,961)</u> |

| | |
|-------|--------------------|
| Total | <u>(9,557,188)</u> |
|-------|--------------------|

| | |
|--|----------------------------|
| <i>Net Position of Governmental Activities</i> | <u><u>\$50,521,819</u></u> |
|--|----------------------------|

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

| | General Fund | Fire and EMS Fund | Police Fund |
|--|---------------------------|-------------------------|------------------------|
| Revenues: | | | |
| Property Taxes | \$862,530 | \$2,228,979 | \$2,228,979 |
| Other Local Taxes | 633,249 | 0 | 0 |
| Municipal Income Taxes | 9,223,111 | 0 | 0 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 |
| Fines, Licenses, and Permits | 1,399,849 | 750 | 1,480 |
| Charges for Services | 3,585,817 | 1,234,601 | 74,847 |
| Investment Earnings | 704,439 | 0 | 0 |
| Intergovernmental | 1,071,476 | 276,224 | 588,378 |
| Special Assessments | 38,576 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 |
| Other | 404,872 | 60,737 | 75,129 |
| <i>Total Revenues</i> | <u>17,923,919</u> | <u>3,801,291</u> | <u>2,968,813</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 8,212,572 | 0 | 0 |
| Public Safety | 0 | 7,164,774 | 7,438,358 |
| Leisure Time Activities | 364,104 | 0 | 0 |
| Community Development | 1,274,176 | 0 | 0 |
| Transportation and Street Repair | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 0 |
| Capital Outlay | 96,660 | 6,810 | 3,972 |
| Intergovernmental | 0 | 0 | 0 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 155,519 | 0 | 0 |
| <i>Total Expenditures</i> | <u>10,103,031</u> | <u>7,171,584</u> | <u>7,442,330</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>7,820,888</u> | <u>(3,370,293)</u> | <u>(4,473,517)</u> |
| Other Financing Sources (Uses): | | | |
| Special Assessment Bonds Issued | 3,960 | 0 | 0 |
| Notes Issued | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 0 | 0 |
| Proceeds from the Sale of Capital Assets | 24,960 | 14,072 | 0 |
| Transfers-In | 0 | 2,979,700 | 3,850,000 |
| Transfers-Out | (7,683,335) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(7,654,415)</u> | <u>2,993,772</u> | <u>3,850,000</u> |
| <i>Net Change in Fund Balances</i> | 166,473 | (376,521) | (623,517) |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>9,174,889</u> | <u>694,761</u> | <u>660,955</u> |
| <i>Fund Balances (Deficits) at End of Year</i> | <u><u>\$9,341,362</u></u> | <u><u>\$318,240</u></u> | <u><u>\$37,438</u></u> |

See accompanying notes to the basic financial statements

| County Motor Vehicle Tax Fund | Public Safety Police/Fire Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| \$0 | \$0 | \$0 | \$5,320,488 |
| 0 | 0 | 209,183 | 842,432 |
| 2,096,179 | 2,306,178 | 210,000 | 13,835,468 |
| 0 | 0 | 728,180 | 728,180 |
| 31,833 | 0 | 463,943 | 1,897,855 |
| 0 | 0 | 237,529 | 5,132,794 |
| 56,863 | 0 | 77,949 | 839,251 |
| 2,498,029 | 3,690 | 2,447,929 | 6,885,726 |
| 0 | 0 | 38,266 | 76,842 |
| 0 | 6,567 | 7,876 | 14,443 |
| 31,537 | 35,001 | 284,510 | 891,786 |
| 4,714,441 | 2,351,436 | 4,705,365 | 36,465,265 |
| 0 | 0 | 390,754 | 8,603,326 |
| 0 | 1,409,662 | 533,264 | 16,546,058 |
| 0 | 0 | 18,343 | 382,447 |
| 0 | 0 | 634,036 | 1,908,212 |
| 935,268 | 0 | 1,386,023 | 2,321,291 |
| 0 | 0 | 125,069 | 125,069 |
| 3,866,405 | 895,068 | 885,161 | 5,754,076 |
| 0 | 0 | 436,813 | 436,813 |
| 11,209 | 2,138,075 | 2,003,150 | 4,152,434 |
| 0 | 54,818 | 221,346 | 431,683 |
| 4,812,882 | 4,497,623 | 6,633,959 | 40,661,409 |
| (98,441) | (2,146,187) | (1,928,594) | (4,196,144) |
| 0 | 0 | 85,040 | 89,000 |
| 0 | 1,921,683 | 4,509,298 | 6,430,981 |
| 0 | 13,413 | 47,319 | 60,732 |
| 0 | 0 | 0 | 39,032 |
| 0 | 0 | 903,635 | 7,733,335 |
| 0 | 0 | (50,000) | (7,733,335) |
| 0 | 1,935,096 | 5,495,292 | 6,619,745 |
| (98,441) | (211,091) | 3,566,698 | 2,423,601 |
| 2,677,171 | 838,150 | 1,363,050 | 15,408,976 |
| \$2,578,730 | \$627,059 | \$4,929,748 | \$17,832,577 |

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, 2019*

| | |
|---|--------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$2,423,601 |
|---|--------------------|

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 | 6,302,887 |
| Capital assets donated by developers | 332,676 |
| Depreciation | <u>(3,507,407)</u> |

| | |
|--|-----------|
| Excess of Capital Outlay and Capital Contributions over Depreciation Expense | 3,128,156 |
|--|-----------|

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 | (39,032) |
| Loss on Disposal of Capital Assets | <u>(212,424)</u> |

| | |
|-------|-----------|
| Total | (251,456) |
|-------|-----------|

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 | 4,001,225 |
| Tax Increment Financing Revenue Bonds | 90,000 |
| Special Assessment Bonds | 50,000 |
| Loans Payable | <u>11,209</u> |

| | |
|-------|-----------|
| Total | 4,152,434 |
|-------|-----------|

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 | 166,978 |
| Capital Assets | (43,070) |
| Compensated Absences | 737 |
| Contractually Required Contributions for Pension | (93,903) |
| Contractually Required Contributions for OPEB | (673) |
| Pension Expense | 308,112 |
| OPEB Expense | 65,407 |
| Adjustment to business type activities | <u>(24,763)</u> |

| | |
|-------|---------|
| Total | 378,825 |
|-------|---------|

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 | 87,917 |
| Municipal Income Taxes | 134,134 |
| Investment Earnings | (11,740) |
| Charges for Services | (27,111) |
| Intergovernmental | 735,107 |
| Special Assessments | <u>9,382</u> |

| | |
|-------|-----------|
| Total | \$927,689 |
|-------|-----------|

(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, 2019
(Continued)*

| | | |
|--|-------------------|----------------------------|
| <hr/> | | |
| 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 | (\$89,000) | |
| Notes | (6,430,981) | |
| Premium on Debt | <u>(60,732)</u> | |
| Total | | (6,580,713) |
| Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. | | |
| Pension | 2,906,290 | |
| OPEB | <u>51,206</u> | |
| Total | | 2,957,496 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension liability (asset) are reported as pension expense in the Statement of Activities. | | |
| Pension | (7,480,808) | |
| OPEB | <u>16,070,814</u> | |
| Total | | 8,590,006 |
| 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 | (34,602) | |
| Amortization of Premium | <u>47,599</u> | |
| Total | | 12,997 |
| 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>(15,025)</u> |
| <i>Change in Net Position of Governmental Activities</i> | | <u><u>\$15,724,010</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, 2019

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|---------------------------|---------------------------|---------------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$860,974 | \$862,524 | \$862,530 | \$6 |
| Other Local Taxes | 776,704 | 651,704 | 629,594 | (22,110) |
| Municipal Income Taxes | 9,529,012 | 9,229,947 | 9,145,699 | (84,248) |
| Fines, Licenses and Permits | 1,502,810 | 1,372,810 | 1,385,394 | 12,584 |
| Charges for Services | 3,321,994 | 3,568,350 | 3,585,817 | 17,467 |
| Investment Earnings | 242,743 | 322,743 | 430,220 | 107,477 |
| Intergovernmental | 972,386 | 1,021,143 | 1,052,349 | 31,206 |
| Special Assessments | 37,986 | 37,986 | 38,576 | 590 |
| Other | 163,228 | 321,580 | 325,873 | 4,293 |
| <i>Total Revenues</i> | <u>17,407,837</u> | <u>17,388,787</u> | <u>17,456,052</u> | <u>67,265</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 8,723,170 | 8,764,794 | 8,500,553 | 264,241 |
| Leisure Time Activities | 447,773 | 432,091 | 416,354 | 15,737 |
| Community Development | 1,492,892 | 1,431,684 | 1,361,017 | 70,667 |
| Capital Outlay | 24,615 | 163,538 | 162,906 | 632 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 200,000 | 200,000 | 155,519 | 44,481 |
| <i>Total Expenditures</i> | <u>10,888,450</u> | <u>10,992,107</u> | <u>10,596,349</u> | <u>395,758</u> |
| <i>Excess of Revenues Over Expenditures</i> | <u>6,519,387</u> | <u>6,396,680</u> | <u>6,859,703</u> | <u>463,023</u> |
| Other Financing Sources (Uses): | | | | |
| Special Assessment Bonds Issued | 0 | 0 | 3,960 | 3,960 |
| Proceeds from the Sale of Capital Assets | 5,000 | 5,000 | 24,960 | 19,960 |
| Advances-In | 65,000 | 0 | 0 | 0 |
| Advances-Out | (200,000) | (100,000) | (80,000) | 20,000 |
| Transfers-Out | (7,276,200) | (7,705,900) | (7,683,335) | 22,565 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(7,406,200)</u> | <u>(7,800,900)</u> | <u>(7,734,415)</u> | <u>66,485</u> |
| <i>Net Change in Fund Balance</i> | <u>(886,813)</u> | <u>(1,404,220)</u> | <u>(874,712)</u> | <u>529,508</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>7,828,705</u> | <u>7,828,705</u> | <u>7,828,705</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>581,136</u> | <u>581,136</u> | <u>581,136</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$7,523,028</u></u> | <u><u>\$7,005,621</u></u> | <u><u>\$7,535,129</u></u> | <u><u>\$529,508</u></u> |

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2019

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$2,191,700 | \$2,229,020 | \$2,228,979 | (\$41) |
| Fines, Licenses and Permits | 1,200 | 1,200 | 750 | (450) |
| Charges for Services | 2,327,242 | 1,238,242 | 1,237,397 | (845) |
| Intergovernmental | 277,473 | 282,819 | 276,224 | (6,595) |
| Other | 0 | 59,300 | 60,737 | 1,437 |
| <i>Total Revenues</i> | <u>4,797,615</u> | <u>3,810,581</u> | <u>3,804,087</u> | <u>(6,494)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | 7,601,544 | 7,418,699 | 7,354,005 | 64,694 |
| Capital Outlay | 0 | 11,638 | 11,638 | 0 |
| <i>Total Expenditures</i> | <u>7,601,544</u> | <u>7,430,337</u> | <u>7,365,643</u> | <u>64,694</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(2,803,929)</u> | <u>(3,619,756)</u> | <u>(3,561,556)</u> | <u>58,200</u> |
| Other Financing Sources: | | | | |
| Proceeds from the Sale of Fixed Assets | 0 | 14,000 | 14,072 | 72 |
| Transfers-In | 2,200,000 | 2,979,700 | 2,979,700 | 0 |
| <i>Total Other Financing Sources</i> | <u>2,200,000</u> | <u>2,993,700</u> | <u>2,993,772</u> | <u>72</u> |
| <i>Net Change in Fund Balance</i> | <u>(603,929)</u> | <u>(626,056)</u> | <u>(567,784)</u> | <u>58,272</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>652,108</u> | <u>652,108</u> | <u>652,108</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>128,046</u> | <u>128,046</u> | <u>128,046</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$176,225</u> | <u>\$154,098</u> | <u>\$212,370</u> | <u>\$58,272</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, 2019

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxes | \$2,191,700 | \$2,228,870 | \$2,228,979 | \$109 |
| Fines, Licenses and Permits | 1,063 | 1,063 | 1,480 | 417 |
| Charges for Services | 35,685 | 63,185 | 74,847 | 11,662 |
| Intergovernmental | 615,599 | 582,201 | 591,407 | 9,206 |
| Other | 33,752 | 75,852 | 75,129 | (723) |
| <i>Total Revenues</i> | <u>2,877,799</u> | <u>2,951,171</u> | <u>2,971,842</u> | <u>20,671</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | 7,504,756 | 7,624,830 | 7,529,173 | 95,657 |
| Capital Outlay | <u>0</u> | <u>6,730</u> | <u>6,730</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>7,504,756</u> | <u>7,631,560</u> | <u>7,535,903</u> | <u>95,657</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(4,626,957)</u> | <u>(4,680,389)</u> | <u>(4,564,061)</u> | <u>116,328</u> |
| Other Financing Sources: | | | | |
| Transfers-In | <u>4,200,000</u> | <u>3,850,000</u> | <u>3,850,000</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | <u>(426,957)</u> | <u>(830,389)</u> | <u>(714,061)</u> | <u>116,328</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>807,381</u> | <u>807,381</u> | <u>807,381</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>51,086</u> | <u>51,086</u> | <u>51,086</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$431,510</u> | <u>\$28,078</u> | <u>\$144,406</u> | <u>\$116,328</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, 2019

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Municipal Income Taxes | \$2,194,676 | \$2,066,375 | \$2,076,375 | \$10,000 |
| Fines, Licenses and Permits | 50,000 | 50,000 | 31,833 | (18,167) |
| Investment Earnings | 7,000 | 39,000 | 56,863 | 17,863 |
| Intergovernmental | 5,061,227 | 1,952,991 | 2,112,779 | 159,788 |
| Other | 0 | 31,500 | 31,537 | 37 |
| <i>Total Revenues</i> | <u>7,312,903</u> | <u>4,139,866</u> | <u>4,309,387</u> | <u>169,521</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation and Street Repair | 4,424,067 | 1,667,574 | 1,628,576 | 38,998 |
| Capital Outlay | 4,080,520 | 4,493,657 | 4,460,738 | 32,919 |
| Debt Service: | | | | |
| Principal Retirements | 11,209 | 11,209 | 11,209 | 0 |
| <i>Total Expenditures</i> | <u>8,515,796</u> | <u>6,172,440</u> | <u>6,100,523</u> | <u>71,917</u> |
| <i>Net Change in Fund Balance</i> | (1,202,893) | (2,032,574) | (1,791,136) | 241,438 |
| <i>Fund Balance at Beginning of Year</i> | 1,573,758 | 1,573,758 | 1,573,758 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>1,024,771</u> | <u>1,024,771</u> | <u>1,024,771</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$1,395,636</u> | <u>\$565,955</u> | <u>\$807,393</u> | <u>\$241,438</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)
Public Safety Police/Fire Fund
For the Year Ended December 31, 2019

| | Original | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| Revenues: | | | | |
| Municipal Income Taxes | \$2,404,676 | \$2,276,175 | \$2,286,374 | \$10,199 |
| Intergovernmental | 0 | 3,690 | 3,690 | 0 |
| Contributions and Donations | 0 | 4,000 | 6,567 | 2,567 |
| Other | 23,000 | 34,900 | 35,001 | 101 |
| <i>Total Revenues</i> | <u>2,427,676</u> | <u>2,318,765</u> | <u>2,331,632</u> | <u>12,867</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | 1,120,889 | 1,547,339 | 1,499,002 | 48,337 |
| Capital Outlay | 1,962,363 | 992,392 | 980,125 | 12,267 |
| Debt Service: | | | | |
| Principal Retirement | 2,148,075 | 2,148,075 | 2,148,075 | 0 |
| Interest and Fiscal Charges | 55,898 | 57,095 | 51,721 | 5,374 |
| <i>Total Debt Service</i> | <u>2,203,973</u> | <u>2,205,170</u> | <u>2,199,796</u> | <u>5,374</u> |
| <i>Total Expenditures</i> | <u>5,287,225</u> | <u>4,744,901</u> | <u>4,678,923</u> | <u>65,978</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(2,859,549)</u> | <u>(2,426,136)</u> | <u>(2,347,291)</u> | <u>78,845</u> |
| Other Financing Sources: | | | | |
| Notes Issued | 3,200,855 | 2,138,075 | 2,138,075 | 0 |
| Premium on Debt Issued | 13,900 | 14,640 | 14,644 | 4 |
| <i>Total Other Financing Sources</i> | <u>3,214,755</u> | <u>2,152,715</u> | <u>2,152,719</u> | <u>4</u> |
| <i>Net Change in Fund Balance</i> | 355,206 | (273,421) | (194,572) | 78,849 |
| <i>Fund Balance at Beginning of Year</i> | 53,875 | 53,875 | 53,875 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 694,130 | 694,130 | 694,130 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$1,103,211</u> | <u>\$474,584</u> | <u>\$553,433</u> | <u>\$78,849</u> |

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

| | Enterprise Funds | | | | |
|---|-------------------|-------------------|--------------------|--------------------|---------------------------|
| | Water Fund | Sewer Fund | Sanitation Fund | Total | Internal Service Funds |
| Assets: | | | | | |
| Current Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,777,914 | \$7,639,125 | \$826,027 | \$11,243,066 | \$1,675,441 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 102,276 | 102,276 | 102,276 | 306,828 | 0 |
| Accounts Receivable | 487,680 | 991,893 | 414,010 | 1,893,583 | 0 |
| Special Assessments Receivable | 0 | 40,000 | 0 | 40,000 | 0 |
| Materials and Supplies Inventory | 303,593 | 109,087 | 0 | 412,680 | 66,702 |
| <i>Total Current Assets</i> | <u>3,671,463</u> | <u>8,882,381</u> | <u>1,342,313</u> | <u>13,896,157</u> | <u>1,742,143</u> |
| Non-current Assets | | | | | |
| Net Pension Asset | 7,966 | 7,966 | 723 | 16,655 | 5,067 |
| Nondepreciable Capital Assets | 426,400 | 299,162 | 393,877 | 1,119,439 | 4,732 |
| Depreciable Capital Assets, Net | 12,756,022 | 22,317,908 | 209,885 | 35,283,815 | 291,671 |
| <i>Total Non-current Assets</i> | <u>13,190,388</u> | <u>22,625,036</u> | <u>604,485</u> | <u>36,419,909</u> | <u>301,470</u> |
| <i>Total Assets</i> | <u>16,861,851</u> | <u>31,507,417</u> | <u>1,946,798</u> | <u>50,316,066</u> | <u>2,043,613</u> |
| Deferred Outflows of Resources: | | | | | |
| Deferred Charge on Refunding | 30,941 | 48,399 | 0 | 79,340 | 0 |
| Pension | 647,657 | 647,657 | 58,880 | 1,354,194 | 412,146 |
| OPEB | 101,278 | 101,278 | 9,208 | 211,764 | 64,448 |
| <i>Total Deferred Outflows of Resources</i> | <u>779,876</u> | <u>797,334</u> | <u>68,088</u> | <u>1,645,298</u> | <u>476,594</u> |
| Liabilities: | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 82,842 | 213,106 | 328,471 | 624,419 | 78,479 |
| Contracts Payable | 37,569 | 17,714 | 336,816 | 392,099 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 | 0 |
| Claims Payable | 0 | 0 | 0 | 0 | 116,193 |
| Accrued Wages Payable | 25,310 | 27,894 | 3,453 | 56,657 | 18,434 |
| Intergovernmental Payable | 4,905 | 5,261 | 582 | 10,748 | 3,611 |
| Accrued Interest Payable | 65,504 | 104,412 | 164 | 170,080 | 0 |
| Notes Payable | 0 | 3,000 | 0 | 3,000 | 0 |
| General Obligation Bonds Payable | 251,050 | 353,950 | 0 | 605,000 | 0 |
| Landfill Postclosure Costs Payable | 0 | 0 | 39,571 | 39,571 | 0 |
| Special Assessment Bonds Payable | 0 | 10,000 | 0 | 10,000 | 0 |
| Compensated Absences Payable | 62,967 | 97,715 | 3,747 | 164,429 | 47,892 |
| <i>Total Current Liabilities</i> | <u>\$530,147</u> | <u>\$833,052</u> | <u>\$712,804</u> | <u>\$2,076,003</u> | <u>\$264,609</u> |

(continued)

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019
(Continued)

| | Enterprise Funds | | | | |
|---|--------------------|---------------------|--------------------|---------------------|---------------------------|
| | Water Fund | Sewer Fund | Sanitation Fund | Total | Internal Service Funds |
| Long-Term Liabilities | | | | | |
| Deposits Held and Due to Others | \$102,276 | \$102,276 | \$102,276 | \$306,828 | \$0 |
| Notes Payable | 2,980,916 | 3,838,590 | 8,034 | 6,827,540 | 0 |
| General Obligation Bonds Payable | 2,797,399 | 8,361,263 | 0 | 11,158,662 | 0 |
| Special Assessment Bonds Payable | 0 | 30,000 | 0 | 30,000 | 0 |
| Claims Payable | 0 | 0 | 0 | 0 | 361,132 |
| Compensated Absences Payable | 30,845 | 50,110 | 423 | 81,378 | 10,124 |
| Net Pension Liability | 2,011,203 | 2,011,201 | 182,839 | 4,205,243 | 1,279,853 |
| Net OPEB Liability | 942,948 | 942,948 | 85,721 | 1,971,617 | 600,057 |
| <i>Total Long-Term Liabilities</i> | <u>8,865,587</u> | <u>15,336,388</u> | <u>379,293</u> | <u>24,581,268</u> | <u>2,251,166</u> |
| <i>Total Liabilities</i> | <u>9,395,734</u> | <u>16,169,440</u> | <u>1,092,097</u> | <u>26,657,271</u> | <u>2,515,775</u> |
| Deferred Inflows of Resources: | | | | | |
| Pension | 29,662 | 29,664 | 2,697 | 62,023 | 18,875 |
| OPEB | 2,558 | 2,558 | 233 | 5,349 | 1,628 |
| <i>Total Deferred Inflows of Resources</i> | <u>32,220</u> | <u>32,222</u> | <u>2,930</u> | <u>67,372</u> | <u>20,503</u> |
| Net Position: | | | | | |
| Net Investment in Capital Assets | 7,195,756 | 10,052,005 | 261,279 | 17,509,040 | 296,403 |
| Unrestricted (Deficit) | 1,018,017 | 6,051,084 | 658,580 | 7,727,681 | (312,474) |
| <i>Total Net Position (Deficit)</i> | <u>\$8,213,773</u> | <u>\$16,103,089</u> | <u>\$919,859</u> | <u>25,236,721</u> | <u>(\$16,071)</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>365,132</u> | |
| Net Position of Business-Type Activities | | | | <u>\$25,601,853</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, 2019

| | Enterprise Funds | | | | Internal Service Funds |
|---|--------------------|---------------------|--------------------|--------------------|---------------------------|
| | Water Fund | Sewer Fund | Sanitation Fund | Total | |
| Operating Revenues: | | | | | |
| Charges for Services | \$4,089,684 | \$6,490,299 | \$3,220,143 | \$13,800,126 | \$5,711,177 |
| Other | 174,083 | 51,102 | 670 | 225,855 | 233,531 |
| <i>Total Operating Revenues</i> | <u>4,263,767</u> | <u>6,541,401</u> | <u>3,220,813</u> | <u>14,025,981</u> | <u>5,944,708</u> |
| Operating Expenses: | | | | | |
| Personal Services | 1,826,683 | 1,907,470 | 216,514 | 3,950,667 | 1,271,684 |
| Contractual Services | 1,581,950 | 3,732,422 | 2,999,443 | 8,313,815 | 1,090,466 |
| Materials and Supplies | 129,529 | 230,190 | 8,309 | 368,028 | 896,605 |
| Claims | 0 | 0 | 0 | 0 | 2,477,605 |
| Depreciation | 693,673 | 1,336,957 | 25,755 | 2,056,385 | 62,307 |
| <i>Total Operating Expenses</i> | <u>4,231,835</u> | <u>7,207,039</u> | <u>3,250,021</u> | <u>14,688,895</u> | <u>5,798,667</u> |
| <i>Operating Income (Loss)</i> | <u>31,932</u> | <u>(665,638)</u> | <u>(29,208)</u> | <u>(662,914)</u> | <u>146,041</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| Investment Earnings | 24,291 | 39,593 | 0 | 63,884 | 20,937 |
| Interest and Fiscal Charges | (137,560) | (433,167) | (157) | (570,884) | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>(113,269)</u> | <u>(393,574)</u> | <u>(157)</u> | <u>(507,000)</u> | <u>20,937</u> |
| <i>Income (Loss) Before Capital Contributions</i> | <u>(81,337)</u> | <u>(1,059,212)</u> | <u>(29,365)</u> | <u>(1,169,914)</u> | <u>166,978</u> |
| Capital Contributions | 94,650 | 85,850 | 0 | 180,500 | 0 |
| <i>Change in Net Position</i> | <u>13,313</u> | <u>(973,362)</u> | <u>(29,365)</u> | <u>(989,414)</u> | <u>166,978</u> |
| <i>Net Position (Deficit) at Beginning of Year</i> | <u>8,200,460</u> | <u>17,076,451</u> | <u>949,224</u> | | <u>(183,049)</u> |
| <i>Net Position (Deficit) at End of Year</i> | <u>\$8,213,773</u> | <u>\$16,103,089</u> | <u>\$919,859</u> | | <u>(\$16,071)</u> |
| <i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i> | | | | <u>24,763</u> | |
| <i>Change in net position of business-type activities</i> | | | | <u>(\$964,651)</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, 2019

| | Enterprise Funds | | | | Internal |
|---|--------------------|--------------------|--------------------|---------------------|--------------------|
| | Water Fund | Sewer Fund | Sanitation Fund | Total | Service Funds |
| Increase (Decrease) in Cash and Cash Equivalents | | | | | |
| Cash Flows from Operating Activities: | | | | | |
| Cash Received From Customers | \$4,041,846 | \$6,272,249 | \$3,201,711 | \$13,515,806 | \$0 |
| Cash Received From Interfund Services Provided | 0 | 0 | 0 | 0 | 5,711,177 |
| Cash Received From Other Operating Revenues | 174,083 | 53,709 | 670 | 228,462 | 233,531 |
| Cash Payments for Claims | 0 | 0 | 0 | 0 | (2,587,379) |
| Cash Payments for Employee Services and Benefits | (1,387,433) | (1,462,875) | (179,671) | (3,029,979) | (996,649) |
| Cash Payments to Suppliers | (1,829,566) | (4,580,467) | (2,683,428) | (9,093,461) | (1,878,170) |
| <i>Net Cash Provided by Operating Activities</i> | <u>998,930</u> | <u>282,616</u> | <u>339,282</u> | <u>1,620,828</u> | <u>482,510</u> |
| Cash Flows from Capital and Related | | | | | |
| Financing Activities: | | | | | |
| Acquisition of Capital Assets | (1,889,691) | (124,008) | (387,663) | (2,401,362) | (105,377) |
| Note Proceeds | 2,975,825 | 3,835,025 | 8,025 | 6,818,875 | 0 |
| Note Premiums | 20,382 | 26,275 | 54 | 46,711 | 0 |
| Notes Principal Payments | (2,975,825) | (3,843,925) | (8,025) | (6,827,775) | 0 |
| Interest and Fiscal Charges on Notes | (66,774) | (92,548) | (190) | (159,512) | 0 |
| General Obligation Bond Principal Payments | 0 | (140,000) | 0 | (140,000) | 0 |
| General Obligation Bond Interest Payments | 0 | (293,576) | 0 | (293,576) | 0 |
| Refunding Bonds Principal Payments | (246,050) | (208,950) | 0 | (455,000) | 0 |
| Refunding Bonds Interest Payments | (82,677) | (53,736) | 0 | (136,413) | 0 |
| Capital Contributions by Customers | 94,650 | 85,850 | 0 | 180,500 | 0 |
| <i>Net Cash Used for Capital and Related Financing Activities</i> | <u>(2,170,160)</u> | <u>(809,593)</u> | <u>(387,799)</u> | <u>(3,367,552)</u> | <u>(105,377)</u> |
| Cash Flows from Investing Activities: | | | | | |
| Interest | 24,291 | 37,243 | 0 | 61,534 | 20,937 |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i> | <u>(1,146,939)</u> | <u>(489,734)</u> | <u>(48,517)</u> | <u>(1,685,190)</u> | <u>398,070</u> |
| <i>Cash and Cash Equivalents at Beginning of Year</i> | <u>4,027,129</u> | <u>8,231,135</u> | <u>976,820</u> | <u>13,235,084</u> | <u>1,277,371</u> |
| <i>Cash and Cash Equivalents at End of Year</i> | <u>\$2,880,190</u> | <u>\$7,741,401</u> | <u>\$928,303</u> | <u>\$11,549,894</u> | <u>\$1,675,441</u> |

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019
(Continued)

| | Enterprise Funds | | | | Internal |
|---|------------------|------------------|--------------------|--------------------|------------------|
| | Water Fund | Sewer Fund | Sanitation Fund | Total | Service Fund |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Operating Income (Loss) | \$31,932 | (\$665,638) | (\$29,208) | (\$662,914) | \$146,041 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation | 693,673 | 1,336,957 | 25,755 | 2,056,385 | 62,307 |
| Landfill Closure and Postclosure Costs | 0 | 0 | 15,109 | 15,109 | 0 |
| Decrease (Increase) in Assets: | | | | | |
| Accounts Receivable | (93,513) | (261,118) | (64,107) | (418,738) | 0 |
| Materials and Supplies Inventory | (103,593) | (36,387) | 0 | (139,980) | 54,541 |
| Net Pension Asset | (2,392) | (2,392) | (217) | (5,001) | (1,522) |
| Deferred Outflows of Resources - Pension | 471,875 | 471,875 | 42,898 | 986,648 | 300,287 |
| Deferred Outflows of Resources - OPEB | 65,958 | 65,958 | 5,996 | 137,912 | 41,974 |
| Increase (Decrease) in Liabilities: | | | | | |
| Accounts Payable | 9,536 | 7,900 | 5,071 | 22,507 | 54,553 |
| Claims Payable | 0 | 0 | 0 | 0 | (109,774) |
| Contracts Payable | 5,952 | (405,126) | 334,126 | (65,048) | (193) |
| Retainage Payable | 0 | (154,260) | 0 | (154,260) | 0 |
| Accrued Wages Payable | 2,412 | 6,720 | 626 | 9,758 | 2,938 |
| Intergovernmental Payable | (9,866) | (9,546) | (1,165) | (20,577) | (7,583) |
| Deposits Held and Due to Others | 15,693 | 15,693 | 15,693 | 47,079 | 0 |
| Compensated Absences Payable | 8,370 | 12,811 | (2,467) | 18,714 | 737 |
| Net Pension Liability | (2,181) | (2,183) | (198) | (4,562) | (1,388) |
| Net OPEB Liability | 51,653 | 51,653 | 4,694 | 108,000 | 32,870 |
| Deferred Inflows of Resources - Pension | (130,692) | (134,414) | (11,880) | (276,986) | (83,168) |
| Deferred Inflows of Resources - OPEB | (15,887) | (15,887) | (1,444) | (33,218) | (10,110) |
| Net Cash Provided by Operating Activities | \$998,930 | \$282,616 | \$339,282 | \$1,620,828 | \$482,510 |

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2019

| | Municipal Court Fund |
|--|----------------------------|
| | |
| Assets: | |
| Cash and Cash Equivalents in Segregated Accounts | <u>\$146,748</u> |
| Liabilities: | |
| Due to Other Governments | <u>\$146,748</u> |
| See accompanying notes to the basic financial statements | |

City of Fairborn, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2019

| | Municipal Court Fund |
|---|----------------------------|
| Additions: | |
| Fines and Forfeitures for Other Governments | \$2,124,714 |
| Deductions: | |
| Distributions to the State of Ohio | 637,441 |
| Distributions to Other Governments | 1,487,273 |
| <i>Total Deductions</i> | 2,124,714 |
| <i>Change in Net Position</i> | 0 |
| <i>Net Position at Beginning of Year</i> | 0 |
| <i>Net Position at End of Year</i> | \$0 |

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 six 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 pools. These organizations are presented in Notes 19 and 20.

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, 2019

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

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 funds. 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, 2019

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, 2019

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

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be separated in a trust fund. The City has one custodial fund which is used to account for monies that flow through the clerk of court's office.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the Statement of Changes in Fund Net Position presents increase (i.e. revenues) and decreases (i.e. 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.

Fiduciary funds present a Statement of Changes in Fiduciary Net Position which reports additions to and deductions from the custodial fund.

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 and the statements presented for proprietary and fiduciary funds are prepared using 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, 2019

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 are reported on the government-wide statement of net position for deferred charges on refunding, pension, and OPEB. 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. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

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, OPEB, and unavailable revenue. Property taxes and revenue in lieu of taxes represent

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 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, accounts receivable, and accrued interest. 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 Balances to Net Position of Governmental Activities found on page 22. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13)

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The City holds money for unclaimed monies and utility deposits. These balances are recorded as "Restricted Assets: Equity in Pooled Cash and Cash Equivalents."

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 2019, the City invested in Federal Home Loan Bank Serial/Consolidation Bonds, Federal Home Loan Bank Mortgage Bonds, Federal Home Loan Bank Mortgage Notes, Federal National Mortgage Association Bonds, and Federal Farm Credit 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 increases in the fair value of investments, credited to the General Fund during 2019 amounted to \$704,439, which includes \$233,649 assigned from other funds.

City of Fairborn, Ohio
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For the Year Ended December 31, 2019

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.

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 General Fund represent cash and cash equivalents held as unclaimed monies. 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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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:

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

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

Compensated Absences

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, claims and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, bonds, and loans are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Charge on Refunding

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

Fund Balance

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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. The assigned fund balance in the General Fund includes future appropriations to cover a gap between estimated revenue and appropriations in the 2020 appropriation budget.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Budgetary Process

All funds, except custodial funds, 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

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, repair and maintenance of City equipment and vehicles, information technology services, employee assistance programs, and the City's self-insurance program. 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 – Changes In Accounting Principles And Restatement Of Net Position

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had no effect on fund balance, or governmental or business-type net position as of December 31, 2018.

Due to the implementation of GASB Statement No. 84, the new classification of custodial fund is reporting beginning assets and liabilities of \$214,320 with no net position. \$11,211 of beginning assets and liabilities are reported in governmental funds with no fund balance or net position. Also related to the implementation of GASB statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$225,531.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Accountability

At December 31, 2019, the following funds had deficit fund balances:

| <u>Funds</u> | <u>Amounts</u> |
|--|----------------|
| Special Revenue Funds: | |
| Community Development Block Grant Fund | \$28,419 |
| Capital Projects Fund: | |
| I-675 Corridor TIF Fund | 2,116,328 |
| Internal Service Funds: | |
| Equipment Fund | 499,030 |
| Information Technology Fund | 43,758 |

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

Note 5 – Budgetary Basis Of Accounting

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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:

Net Change in Fund Balance

| | General Fund | Fire and EMS Fund | Police Fund |
|---|--------------------|-------------------------|--------------------|
| GAAP Basis | \$166,473 | (\$376,521) | (\$623,517) |
| Revenue Accruals | (61,869) | 2,796 | 3,029 |
| Expenditure Accruals | (37,824) | (56,591) | (53,065) |
| Encumbrances | (511,592) | (137,468) | (40,508) |
| Change in Fair Value of Investments - 2019 | 640 | 0 | 0 |
| Change in Fair Value of Investments - 2018 | (312,720) | 0 | 0 |
| Custodial Fund Allocation - 2019 | (100,523) | 0 | 0 |
| Custodial Fund Allocation - 2018 | 85,604 | 0 | 0 |
| Excess of revenues over expenditures for Uninsured Loss Fund | (22,901) | 0 | 0 |
| Advances | (80,000) | 0 | 0 |
| Budget Basis | <u>(\$874,712)</u> | <u>(\$567,784)</u> | <u>(\$714,061)</u> |

| | County Motor Vehicle Tax Fund | Public Safety Police/Fire Fund |
|----------------------|--|---|
| GAAP Basis | (\$98,441) | (\$211,091) |
| Revenue Accruals | (405,054) | 197,819 |
| Expenditure Accruals | 1,272,724 | 82,441 |
| Encumbrances | (2,560,365) | (263,741) |
| Budget Basis | <u>(\$1,791,136)</u> | <u>(\$194,572)</u> |

Note 6 – Deposits And Investments

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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's 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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;

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy 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, 2019, the City's Self Insurance – Jefferson Health Plan Internal Service Fund had a \$876,929 balance with Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool (See Note 20). 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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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.

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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| Measurement/Investment | Measurement Amount | Maturity | S&P Rating | Percent of Total Investments |
|--|-----------------------|----------------------|---------------|------------------------------------|
| Fair Value - Level Two Inputs: | | | | |
| Federal Home Loan Bank Serial/Consolidation Bonds | \$3,998,740 | Less than five years | AA+ | 24.99 % |
| Federal Home Loan Bank Mortgage Bonds | 1,000,130 | Less than five years | AA+ | 6.25 |
| Federal Home Loan Bank Mortgage Notes | 7,000,430 | Less than five years | AA+ | 43.76 |
| Federal National Mortgage Association Bonds | 1,999,520 | Less than two years | AA+ | 12.5 |
| Federal Farm Credit Bonds | 2,000,040 | Less than five years | AA+ | 12.5 |
| Total Investments | <u>\$15,998,860</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, 2019. 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).

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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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 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The effective tax rate for all City operations for the year ended December 31, 2019, was \$11.14 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|-------------------------|-----------------------------|
| Real Estate | \$522,658,010 |
| Public Utility Personal | 19,235,850 |
| Totals | <u><u>\$541,893,860</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, 2019, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 transferred 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.

Note 9 – Receivables

Receivables at December 31, 2019, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, accounts, intergovernmental, accrued interest, interfund, special assessments, and loans 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 amount to \$199,914 in the General Bond Retirement Fund, and \$30,000 in the Sewer Fund. The City has \$10,314 of delinquent special assessments at December 31, 2019.

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 7.5 percent and is to be paid upon maturity. The entire loan is expected to be collected in more than one year.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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A summary of the principal items of intergovernmental receivables follows:

| <u>Governmental Activities:</u> | <u>Amount</u> |
|--|---------------------------|
| Local Government | \$477,762 |
| Homestead Exemption and Rollbacks | 324,158 |
| Gasoline Tax | 861,837 |
| MVRPC STP Kauffman Roundabout Grant | 670,507 |
| ODOT Safety Kauffman Roundabout Grant | 190,271 |
| Motor Vehicle Tax | 97,204 |
| Community Development Block Grant | 45,888 |
| Victims of Crime Act Grant | 7,408 |
| Domestic Violence/Stalking Investigation Grant | 10,990 |
| Federal Emergency Management Agency Grant | 21,439 |
| City of Beavercreek | 24,826 |
| Permissive Motor Vehicle License Tax | 18,199 |
| Greene County | 3,178 |
| Total Governmental Funds | <u><u>\$2,753,667</u></u> |

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, 2019, 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, 2019, were as follows:

City of Fairborn, Ohio
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For the Year Ended December 31, 2019

| | Balance at 12/31/2018 | Additions | Deletions | Balance at 12/31/2019 |
|---------------------------------|--------------------------|-------------|-------------|--------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets, Not Being | | | | |
| Depreciated: | | | | |
| Land | \$18,608,114 | \$678,185 | \$0 | \$19,286,299 |
| Construction in Progress | 1,974,726 | 4,054,535 | (401,907) | 5,627,354 |
| Total Capital Assets | | | | |
| Not Being Depreciated | 20,582,840 | 4,732,720 | (401,907) | 24,913,653 |
| Depreciable Capital Assets: | | | | |
| Buildings | 21,359,592 | 564,155 | (144,678) | 21,779,069 |
| Improvements Other Than | | | | |
| Buildings | 2,951,100 | 21,450 | 0 | 2,972,550 |
| Machinery and Equipment | 6,388,578 | 297,796 | 0 | 6,686,374 |
| Vehicles | 8,448,242 | 654,990 | (1,056,570) | 8,046,662 |
| Infrastructure | 81,591,816 | 766,359 | (329,753) | 82,028,422 |
| Total Depreciable | | | | |
| Capital Assets | 120,739,328 | 2,304,750 | (1,531,001) | 121,513,077 |
| Less Accumulated | | | | |
| Depreciation: | | | | |
| Buildings | (9,071,300) | (507,105) | 39,920 | (9,538,485) |
| Improvements Other Than | | | | |
| Buildings | (2,033,155) | (116,745) | 0 | (2,149,900) |
| Machinery and Equipment | (4,296,052) | (397,153) | 0 | (4,693,205) |
| Vehicles | (4,898,257) | (579,364) | 980,870 | (4,496,751) |
| Infrastructure | (49,088,680) | (1,907,040) | 258,755 | (50,736,965) |
| Total Accumulated | | | | |
| Depreciation | (69,387,444) | (3,507,407) | 1,279,545 | (71,615,306) |
| Depreciable Capital | | | | |
| Assets, Net | 51,351,884 | (1,202,657) | (251,456) | 49,897,771 |
| Governmental Activities | | | | |
| Capital Assets, Net | \$71,934,724 | \$3,530,063 | (\$653,363) | \$74,811,424 |

Additions to capital assets being depreciated include \$332,676 in assets donated by developers for the year ended December 31, 2019.

Depreciation expense was charged to governmental programs as follows:

| | |
|----------------------------------|--------------------|
| General Government | \$2,610,116 |
| Public Safety | 622,895 |
| Leisure Time Activity | 169,435 |
| Public Health | 1,894 |
| Transportation and Street Repair | 103,067 |
| | <u>\$3,507,407</u> |

City of Fairborn, Ohio
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Capital assets activities of the business-type activities for the year ended December 31, 2019, were as follows:

| | Balance at 12/31/2018 | Additions | Deletions | Balance at 12/31/2019 |
|--|--------------------------|--------------------|----------------------|--------------------------|
| <u>Business-type Activities:</u> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$159,633 | \$0 | \$0 | \$159,633 |
| Construction in Progress | 2,594,654 | 541,193 | (2,176,041) | 959,806 |
| Total Capital Assets, Not Being Depreciated | 2,754,287 | 541,193 | (2,176,041) | 1,119,439 |
| Depreciable Capital Assets: | | | | |
| Buildings | 27,275,706 | 903,321 | 0 | 28,179,027 |
| Improvements Other Than Buildings | 5,817,807 | 0 | 0 | 5,817,807 |
| Machinery and Equipment | 6,489,921 | 734,299 | (542,044) | 6,682,176 |
| Vehicles | 2,205,646 | 480,293 | (68,243) | 2,617,696 |
| Infrastructure | 30,611,722 | 1,918,297 | 0 | 32,530,019 |
| Total Depreciable Capital Assets | 72,400,802 | 4,036,210 | (610,287) | 75,826,725 |
| Less Accumulated Depreciation: | | | | |
| Buildings | (12,305,476) | (677,945) | 0 | (12,983,421) |
| Improvements Other Than Buildings | (2,008,434) | (342,051) | 0 | (2,350,485) |
| Machinery and Equipment | (3,409,629) | (389,653) | 542,044 | (3,257,238) |
| Vehicles | (1,432,926) | (172,843) | 68,243 | (1,537,526) |
| Infrastructure | (19,940,347) | (473,893) | 0 | (20,414,240) |
| Total Accumulated Depreciation | (39,096,812) | (2,056,385) | 610,287 | (40,542,910) |
| Depreciable Capital Assets, Net | 33,303,990 | 1,979,825 | 0 | 35,283,815 |
| Business-type Activities Capital Assets, Net | <u>\$36,058,277</u> | <u>\$2,521,018</u> | <u>(\$2,176,041)</u> | <u>\$36,403,254</u> |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 20) available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, 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, like PEP, 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.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2019, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2019, and 2018:

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Assets | \$54,973,597 | \$49,921,998 |
| Liabilities | <u>16,440,940</u> | <u>14,676,199</u> |
| Net Position - Unrestricted | <u>\$38,532,657</u> | <u>\$35,245,799</u> |
| | | |
| Unpaid Claims to be Billed in the Future | \$13.7 million | \$11.8 million |
| | | |
| Number of Members | 553 | 538 |

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 \$250,000. This amount includes the subsequent year's contribution due if the City terminates participation, as described as follows.

City of Fairborn, Ohio
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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 City's contributions for the last three years are:

| <u>Contributions to PEP</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2017 | \$294,668 |
| 2018 | 265,249 |
| 2019 | 267,676 |

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. 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 pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City provides health insurance to its employees through a self-insurance plan. The City pays \$622 per month for eligible employees electing single coverage and \$1,803 for eligible employees electing family coverage, with the employees paying \$131 per month for single coverage, and \$379 per month for family coverage. The City participated in the Jefferson Health Plan during 2019. Jefferson Health Plan administers the health insurance plan.

| | <u>Balance at</u> | <u>Current Year</u> | <u>Claim</u> | <u>Balance at</u> |
|------|-------------------|---------------------|-----------------|---------------------|
| | <u>January 1,</u> | <u>Claims</u> | <u>Payments</u> | <u>December 31,</u> |
| 2018 | \$528,936 | \$2,794,385 | \$2,736,222 | \$587,099 |
| 2019 | 587,099 | 2,477,605 | 2,587,379 | 477,325 |

Note 12 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and

City of Fairborn, Ohio
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benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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 these estimates 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans 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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|--|--|--|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan 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 | Traditional Plan 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 | Traditional Plan 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 |
| Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |

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 traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Fairborn, Ohio
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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

| | <u>State and Local</u> |
|--|------------------------|
| 2019 Statutory Maximum Contribution Rates: | |
| Employer | 14.0% |
| Employee * | 10.0% |
| 2019 Actual Contribution Rates: | |
| Employer: | |
| Pension ** | 14.0% |
| Post-employment Health Care Benefits ** | 0.0 |
| Total Employer | <u>14.0%</u> |
| Employee | 10.0% |

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

For 2019, the City's contractually required contribution was \$1,309,209 for the traditional plan, \$32,275 for the combined plan and \$24,083 for the member-directed plan. Of these amounts, \$30,390 is reported as an intergovernmental payable for the traditional plan, \$750 for the combined plan, and \$559 for the member-directed plan.

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For the Year Ended December 31, 2019

Plan Description – Ohio Police and Fire Pension Fund (OP&F)

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.

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 (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30th 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 3 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, 2019

| | <u>Police</u> | <u>Firefighters</u> |
|--|---------------|---------------------|
| 2019 Statutory Maximum Contribution Rates: | | |
| Employer | 19.50% | 24.00% |
| Employee | 12.25% | 12.25% |
| 2019 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 \$1,873,347 for 2019. Of this amount, \$194,654 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 (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) 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 of the City's defined benefit pension plans:

| | <u>OPERS Traditional Plan</u> | <u>OPERS Combined Plan</u> | <u>OP&F</u> | <u>Total</u> |
|-------------------------------|---------------------------------------|------------------------------------|----------------------|--------------|
| Proportion of the Net | | | | |
| Pension Liability/Asset: | | | | |
| Current Measurement Date | 0.06675800% | 0.06476200% | 0.37603300% | |
| Prior Measurement Date | <u>0.06391200%</u> | <u>0.07745400%</u> | <u>0.37919600%</u> | |
| Change in Proportionate Share | <u>0.00284600%</u> | <u>(0.01269200%)</u> | <u>(0.00316300%)</u> | |
| Proportionate Share of the: | | | | |
| Net Pension (Asset) | \$0 | (\$72,419) | \$0 | (\$72,419) |
| Net Pension Liability | 18,283,663 | 0 | 30,694,228 | 48,977,891 |
| Pension Expense | 4,380,437 | 21,137 | 4,087,874 | 8,489,448 |

2019 pension expense for the member-directed defined contribution plan was \$24,038. The aggregate pension expense for all pension plans was \$8,513,486 for 2019.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|---|------------------------------|---------------------------|--------------------|---------------------|
| Deferred Outflows of Resources: | | | | |
| Differences between expected and actual experience | \$844 | \$0 | \$1,261,103 | \$1,261,947 |
| Changes of assumptions | 1,591,638 | 16,174 | 813,746 | 2,421,558 |
| Net difference between projected and actual earnings on pension plan investments | 2,481,605 | 15,600 | 3,781,503 | 6,278,708 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 430,058 | 10,398 | 613,961 | 1,054,417 |
| City contributions subsequent to the measurement date | 1,309,209 | 32,275 | 1,873,347 | 3,214,831 |
| Total Deferred Outflows of Resources | <u>\$5,813,354</u> | <u>\$74,447</u> | <u>\$8,343,660</u> | <u>\$14,231,461</u> |
| Deferred Inflows of Resources: | | | | |
| Differences between expected and actual experience | \$240,075 | \$29,578 | \$28,662 | \$298,315 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 0 | 518,914 | 518,914 |
| Total Deferred Inflows of Resources | <u>\$240,075</u> | <u>\$29,578</u> | <u>\$547,576</u> | <u>\$817,229</u> |

\$3,214,831 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 or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

| Year Ending December 31: | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|--------------------------|------------------------------|---------------------------|--------------------|---------------------|
| 2020 | \$1,925,616 | \$3,729 | \$1,824,361 | \$3,753,706 |
| 2021 | 954,103 | 614 | 997,461 | 1,952,178 |
| 2022 | 230,219 | 942 | 1,154,598 | 1,385,759 |
| 2023 | 1,154,132 | 5,826 | 1,817,960 | 2,977,918 |
| 2024 | 0 | (586) | 128,357 | 127,771 |
| Thereafter | 0 | 2,069 | 0 | 2,069 |
| Total | <u>\$4,264,070</u> | <u>\$12,594</u> | <u>\$5,922,737</u> | <u>\$10,199,401</u> |

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, 2018, 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 valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

| | OPERS Traditional Plan | OPERS Combined Plan |
|---|--|--|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | 3 percent, simple through 2018, then 2.15 percent, simple | 3 percent, simple through 2018, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

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 2018 and the long-term expected real rates of return:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 23.00% | 2.79% |
| Domestic Equities | 19.00 | 6.21 |
| Real Estate | 10.00 | 4.90 |
| Private Equity | 10.00 | 10.81 |
| International Equities | 20.00 | 7.83 |
| Other investments | 18.00 | 5.50 |
| Total | 100.00% | 5.95% |

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. 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 for the traditional pension plan, combined plan and member-directed plan 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 (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| OPERS Traditional Plan | \$27,010,287 | \$18,283,663 | \$11,031,760 |
| OPERS Combined Plan | (23,962) | (72,419) | (107,505) |

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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

City of Fairborn, Ohio
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For the Year Ended December 31, 2019

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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented below.

| | |
|----------------------------|--|
| Valuation Date | January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77% | 68% |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 59 or less | 35% | 35% |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

The most recent experience study was completed for the five year period ended December 31, 2016.

City of Fairborn, Ohio
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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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00% | 0.80% |
| Domestic Equity | 16.00 | 5.50 |
| Non-US Equity | 16.00 | 5.90 |
| Private Markets | 8.00 | 8.40 |
| Core Fixed Income * | 23.00 | 2.60 |
| High Yield Fied Income | 7.00 | 4.80 |
| Private Credit | 5.00 | 7.50 |
| U.S. Inflation Linked Bonds * | 17.00 | 2.30 |
| Master Limited Partnerships | 8.00 | 6.40 |
| Real Assests | 8.00 | 7.00 |
| Private Real Estate | 12.00 | 6.10 |
| Total | 120.00% | |

Note: Assumptions are geometric.

* levered 2x

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 8.00 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 of 8.00 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$40,345,449 | \$30,694,228 | \$22,629,241 |

Note 13 – Post Employment Benefits

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 75. See OPERS' CAFR referenced below for additional information.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$9,615 for 2019. Of this amount, \$223 is reported as an intergovernmental payable.

Plan Description – Ohio Police and Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F 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.

OP&F 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 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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F 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, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, 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.

The OP&F 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 contractually required contribution to OP&F was \$43,803 for 2019. Of this amount, \$4,586 is reported as an intergovernmental payable.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---------------------------------------|--------------------|----------------------|----------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.06575000% | 0.37603300% | |
| Prior Measurement Date | 0.06345000% | 0.37919600% | |
| Change in Proportionate Share | <u>0.00230000%</u> | <u>(0.00316300%)</u> | |
| Proportionate Share of the | | | |
| Net OPEB Liability | \$8,572,248 | \$3,424,358 | \$11,996,606 |
| OPEB Expense | \$934,374 | (\$16,790,282) | (\$15,855,908) |

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|------------------|--------------------|--------------------|
| Deferred Outflows of Resources: | | | |
| Differences between expected and actual experience | \$2,903 | \$0 | \$2,903 |
| Changes of assumptions | 276,379 | 1,775,022 | 2,051,401 |
| Net difference between projected and actual earnings on pension plan investments | 392,987 | 115,918 | 508,905 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 238,823 | 534,590 | 773,413 |
| City contributions subsequent to the measurement date | 9,615 | 43,803 | 53,418 |
| Total Deferred Outflows of Resources | <u>\$920,707</u> | <u>\$2,469,333</u> | <u>\$3,390,040</u> |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|-----------------|--------------------|--------------------|
| Deferred Inflows of Resources: | | | |
| Differences between expected and actual experience | \$23,259 | \$91,746 | \$115,005 |
| Changes of assumptions | 0 | 948,024 | 948,024 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 141,107 | 141,107 |
| Total Deferred Inflows of Resources | <u>\$23,259</u> | <u>\$1,180,877</u> | <u>\$1,204,136</u> |

\$53,418 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending December 31:</u> | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---------------------------------|------------------|--------------------|--------------------|
| 2020 | \$455,082 | \$220,262 | \$675,344 |
| 2021 | 167,528 | 220,262 | 387,790 |
| 2022 | 67,251 | 220,262 | 287,513 |
| 2023 | 197,972 | 255,322 | 453,294 |
| 2024 | 0 | 200,047 | 200,047 |
| Thereafter | 0 | 128,498 | 128,498 |
| Total | <u>\$887,833</u> | <u>\$1,244,653</u> | <u>\$2,132,486</u> |

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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Fairborn, Ohio
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For the Year Ended December 31, 2019

| | |
|--|---|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.96 percent |
| Prior Measurement date | 3.85 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 3.71 percent |
| Prior Measurement date | 3.31 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 10.0 percent, initial 3.25 percent, ultimate in 2029 |
| Prior Measurement date | 7.25 percent, initial 3.25 percent, ultimate in 2028 |
| Actuarial Cost Method | Individual Entry Age Normal |

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was be effective for the 2018 valuation.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined

City of Fairborn, Ohio
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For the Year Ended December 31, 2019

Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 34.00% | 2.42% |
| Domestic Equities | 21.00 | 6.21 |
| Real Estate Investment Trust | 6.00 | 5.98 |
| International Equities | 22.00 | 7.83 |
| Other investments | 17.00 | 5.57 |
| Total | 100.00% | 5.16% |

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

City of Fairborn, Ohio
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Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

| | 1% Decrease (2.96%) | Current Discount Rate (3.96%) | 1% Increase (4.96%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$10,967,100 | \$8,572,248 | \$6,667,708 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|-------------|---|-------------|
| City's proportionate share of the net OPEB liability | \$8,239,790 | \$8,572,248 | \$8,955,150 |

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

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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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows.

| | |
|----------------------------|--|
| Valuation Date | January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single discount rate: | |
| Current measurement date | 4.66 percent |
| Prior measurement date | 3.24 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77% | 68% |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

City of Fairborn, Ohio
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| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

| | 1% Decrease (3.66%) | Current Discount Rate (4.66%) | 1% Increase (5.66%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$4,171,802 | \$3,424,358 | \$2,796,942 |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
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Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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.

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 organizations. Individual member organizations have the capability to monitor their financial activities daily.

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

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

Note 15 – Short-Term Obligations

Changes in short-term obligations during 2019 were as follows:

| Types/Issues | Balance at 12/31/2018 | Increases | Decreases | Balance at 12/31/2019 |
|---|--------------------------|------------------|------------------|--------------------------|
| <u>Governmental Activities:</u> | | | | |
| 2018 Various Purpose Bond Anticipation Note Series A | \$45,000 | \$0 | \$45,000 | \$0 |
| 2018 Special Obligation Nontax Revenue Note Series B | 1,525,000 | 0 | 1,525,000 | 0 |
| Premium | 9,628 | 0 | 9,628 | 0 |
| 2018 Special Obligation Nontax Revenue Note Series C | 520,000 | 0 | 520,000 | 0 |
| Premium | 6,649 | 0 | 6,649 | 0 |
| 2018 Special Obligation Nontax Revenue Note Series D | 1,000,000 | 0 | 1,000,000 | 0 |
| Premium | 7,933 | 0 | 7,933 | 0 |
| 2018 Various Purpose Bond Anticipation Note Series B | 2,795,000 | 0 | 2,795,000 | 0 |
| Premium | 15,485 | 0 | 15,485 | 0 |
| 2019 Various Purpose Bond Anticipation Note Series A | 0 | 602,244 | 0 | 602,244 |
| Premium | 0 | 2,805 | 2,338 | 467 |
| 2019 Special Obligation Nontax Revenue Note Series C | 0 | 37,000 | 0 | 37,000 |
| 2019 Various Purpose Bond Anticipation Note Series B | 0 | 2,662,000 | 0 | 2,662,000 |
| Premium | 0 | 16,957 | 5,652 | 11,305 |
| Total Governmental Activities | <u>5,924,695</u> | <u>3,321,006</u> | <u>5,932,685</u> | <u>3,313,016</u> |
| <u>Business-type Activities:</u> | | | | |
| 2018 Various Purpose Bond Anticipation Note Series A (Sewer) | 8,900 | 0 | 8,900 | 0 |
| 2019 Various Purpose Bond Anticipation Note Series A (Sewer) | 0 | 3,000 | 0 | 3,000 |
| Total Business-type Activities | <u>\$8,900</u> | <u>\$3,000</u> | <u>\$8,900</u> | <u>\$3,000</u> |

City of Fairborn, Ohio
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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 20, 2019, the City issued \$605,244 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2018 various purpose bond anticipation notes. The notes were issued at 2.50 percent and matured on March 19, 2020. The notes were paid from the Street Maintenance and Repair, Building and Land, Public Safety Police/Fire Special Revenue Funds, and Sewer Enterprise Fund.

On August 13, 2019, the City issued \$37,000 in special obligation nontax revenue notes series C. The notes were issued to retire the 2018 special obligation nontax revenue notes series C. The notes were issued at 3.570 percent and matured on June 3, 2020. The notes were paid from the Community Redevelopment Fund.

On September 5, 2019, the City issued \$2,662,000 in various purpose bond anticipation notes series B. The notes were issued to retire the 2018 various purpose notes series B. The notes were issued at 2.00 percent and will mature on September 3, 2020. The notes will be paid from the I-675 Corridor TIF, and Community Redevelopment Funds.

Note 16 – Long-Term Obligations

The summary of changes in long-term obligations of the governmental activities of the City during 2019 follows:

| Types/Issues | Balance at 12/31/2018 | Increases | Decreases | Balance at 12/31/2019 | Due Within One Year |
|---|--------------------------|-------------|-------------|--------------------------|------------------------|
| <u>Long Term Notes:</u> | | | | | |
| 2018 2.25% - Various Purpose Bond Anticipation Notes Series A | \$3,001,225 | \$0 | \$3,001,225 | \$0 | \$0 |
| Premium | 4,474 | 0 | 4,474 | 0 | 0 |
| 2018 3.75% - Special Obligation Nontax Revenue Notes Series A | 1,000,000 | 0 | 1,000,000 | 0 | 0 |
| Premium | 4,856 | 0 | 4,856 | 0 | 0 |
| 2019 2.50% - Various Purpose Bond Anticipation Notes Series A | 0 | 2,398,981 | 0 | 2,398,981 | 0 |
| Premium | 0 | 17,752 | 13,311 | 4,441 | 0 |
| 2019 3.57% - Special Obligation Nontax Revenue Notes Series A | 0 | 1,000,000 | | 1,000,000 | 0 |
| Premium | 0 | 10,940 | 6,384 | 4,556 | 0 |
| 2019 3.57% - Special Obligation Nontax Revenue Notes Series B | 0 | 1,525,000 | | 1,525,000 | 0 |
| Premium | 0 | 15,921 | 7,960 | 7,961 | 0 |
| 2019 3.57% - Special Obligation Nontax Revenue Notes Series C | 0 | 507,000 | 0 | 507,000 | 0 |
| Premium | 0 | 5,679 | 2,840 | 2,839 | 0 |
| 2019 3.57% - Special Obligation Nontax Revenue Notes Series D | 0 | 1,000,000 | 0 | 1,000,000 | 0 |
| Premium | 0 | 10,440 | 5,220 | 5,220 | 0 |
| Total Notes Payable | \$4,010,555 | \$6,491,713 | \$4,046,270 | \$6,455,998 | \$0 |

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

| Types/Issues | Balance at 12/31/2018 | Increases | Decreases | Balance at 12/31/2019 | Due Within One Year |
|--|--------------------------|--------------|--------------|--------------------------|------------------------|
| <u>Tax Increment Financing Revenue Bonds:</u> | | | | | |
| 2013 1.5-3% Various Purpose | | | | | |
| Revenue Bonds (TIF) | \$1,105,000 | \$0 | \$90,000 | \$1,015,000 | \$90,000 |
| Premium | 26,498 | 0 | 2,554 | 23,944 | 0 |
| Total Tax Increment Financing Revenue Bonds | 1,131,498 | 0 | 92,554 | 1,038,944 | 90,000 |
| <u>Special Assessment Bonds with</u> | | | | | |
| <u>Governmental Commitment:</u> | | | | | |
| 2003 4.00 to 8.30% Dayton - Yellow Springs | | | | | |
| Improvement \$305,000 | 100,000 | 0 | 20,000 | 80,000 | 20,000 |
| 2016 1.9% Curb and Sidewalk \$85,000 | 55,000 | 0 | 15,000 | 40,000 | 20,000 |
| 2018 3.22% Curb and Sidewalk \$75,000 | 75,000 | 0 | 15,000 | 60,000 | 15,000 |
| 2019 2.97% Sidewalk Construction \$89,000 | 0 | 89,000 | 0 | 89,000 | 16,000 |
| Total Special Assessment Bonds | 230,000 | 89,000 | 50,000 | 269,000 | 71,000 |
| <u>Loans Payable:</u> | | | | | |
| OPWC 0% \$334,832 | 319,467 | 0 | 11,209 | 308,258 | 5,605 |
| <u>Other Long-Term Obligations:</u> | | | | | |
| Claims Payable | 587,099 | 2,477,605 | 2,587,379 | 477,325 | 116,193 |
| Compensated Absences Payable | 1,469,963 | 1,187,965 | 1,172,940 | 1,484,988 | 1,055,632 |
| Total Other Long-Term Obligations | 2,057,062 | 3,665,570 | 3,760,319 | 1,962,313 | 1,171,825 |
| <u>Net Pension Liability:</u> | | | | | |
| OP&F | 23,272,972 | 7,421,256 | 0 | 30,694,228 | 0 |
| OPERS | 7,720,448 | 6,357,972 | 0 | 14,078,420 | 0 |
| Total Net Pension Liability | 30,993,420 | 13,779,228 | 0 | 44,772,648 | 0 |
| <u>Net OPEB Liability:</u> | | | | | |
| OP&F | 21,484,713 | 0 | 18,060,355 | 3,424,358 | 0 |
| OPERS | 5,305,457 | 1,295,174 | 0 | 6,600,631 | 0 |
| Total Net OPEB Liability | 26,790,170 | 1,295,174 | 18,060,355 | 10,024,989 | 0 |
| Total Governmental Activities | \$65,532,172 | \$25,320,685 | \$26,020,707 | \$64,832,150 | \$1,338,430 |

On March 20, 2019, the City issued \$2,398,981 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2018 various purpose bond anticipation notes, and for public works improvements. The notes were issued at 2.50 percent and matured on March 19, 2020. The notes were paid from the Building and Land, and Public Safety Police/Fire Funds. The City had \$264,355 in unspent proceeds at December 31, 2019.

On June 4, 2019, the City issued \$1,000,000 in special obligation nontax revenue notes series A. The notes were issued to retire the 2018 special obligation nontax revenue notes series A. The notes were issued at 3.625 percent and matured on June 3, 2020. The notes were paid from the Community Redevelopment Fund.

On August 13, 2019, the City issued \$1,525,000 in special obligation nontax revenue notes series B. The notes were issued to retire the 2018 special obligation nontax revenue notes series B. The notes were issued at 3.570 percent and matured on June 3, 2020. The notes were paid from the Community Redevelopment Fund.

On August 13, 2019, the City issued \$507,000 in special obligation nontax revenue notes series C. The notes were issued to retire the 2018 special obligation nontax revenue notes series C. The notes were issued at 3.570 percent and matured on June 3, 2020. The notes were paid from the Community Redevelopment Fund.

City of Fairborn, Ohio
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On August 13, 2019, the City issued \$1,000,000 in special obligation nontax revenue notes series D. The notes were issued to retire the 2018 special obligation nontax revenue notes series D. The notes were issued at 3.570 percent and matured on June 3, 2020. The notes were paid from the Community Redevelopment Fund.

On April 16, 2013, the City issued \$1,700,000 in various purpose tax increment financing 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 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 2016 and 2018 Curb and Sidewalk and 2019 Sidewalk Construction 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 loan will be repaid from the County Motor Vehicle Tax Fund.

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/OPEB liability. However, employer pension/OPEB contributions are made 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. For additional information related to the net pension and net OPEB liabilities see notes 12 and 13.

A summary of the long-term obligations reported for business-type activities during 2019 is as follows:

City of Fairborn, Ohio
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| Types/Issues | Balance at 12/31/2018 | Increases | Decreases | Balance at 12/31/2019 | Due Within One Year |
|--|--------------------------|-------------|-------------|--------------------------|------------------------|
| <u>Notes Payable:</u> | | | | | |
| 2018 2.25% - Water Various Purpose | | | | | |
| Bond Anticipation Series A | \$2,975,825 | \$0 | \$2,975,825 | \$0 | \$0 |
| Premium | 4,376 | 0 | 4,376 | 0 | 0 |
| 2018 2.25% - Sewer Various Purpose | | | | | |
| Bond Anticipation Series A | 3,835,025 | 0 | 3,835,025 | 0 | 0 |
| Premium | 5,646 | 0 | 5,646 | 0 | 0 |
| 2018 2.25% - Sanitation Various Purpose | | | | | |
| Bond Anticipation Series A | 8,025 | 0 | 8,025 | 0 | 0 |
| Premium | 12 | 0 | 12 | 0 | 0 |
| 2019 2.50% - Water Various Purpose | | | | | |
| Bond Anticipation Series A | 0 | 2,975,825 | 0 | 2,975,825 | 0 |
| Premium | 0 | 20,382 | 15,291 | 5,091 | 0 |
| 2019 2.50% - Sewer Various Purpose | | | | | |
| Bond Anticipation Series A | 0 | 3,832,025 | 0 | 3,832,025 | 0 |
| Premium | 0 | 26,275 | 19,710 | 6,565 | 0 |
| 2019 2.50% Sanitation Various Purpose | | | | | |
| Bond Anticipation Series A | 0 | 8,025 | | 8,025 | 0 |
| Premium | 0 | 54 | 45 | 9 | 0 |
| Total Notes Payable | 6,828,909 | 6,862,586 | 6,863,955 | 6,827,540 | 0 |
| <u>General Obligation Bonds:</u> | | | | | |
| 2010 2.00 to 4.50% - Sewer Various Purpose \$7,460,000 | 6,875,000 | 0 | 140,000 | 6,735,000 | 145,000 |
| Discount | (50,169) | 0 | (2,509) | (47,660) | 0 |
| Total General Obligation Bonds | 6,824,831 | 0 | 137,491 | 6,687,340 | 145,000 |
| <u>General Obligation Refunding Bonds:</u> | | | | | |
| 2013 1.5% to 3.0% Water Various Purpose Bonds | 2,775,000 | 0 | 170,000 | 2,605,000 | 175,000 |
| Premium | 47,819 | 0 | 3,575 | 44,244 | 0 |
| 2013 1.5% to 3.0% Water Various Purpose Bonds | 468,000 | 0 | 76,050 | 391,950 | 76,050 |
| Premium | 8,913 | 0 | 1,658 | 7,255 | 0 |
| 2013 1.5% to 3.0% Sewer Various Purpose Bonds | 732,000 | 0 | 118,950 | 613,050 | 118,950 |
| Premium | 13,942 | 0 | 2,593 | 11,349 | 0 |
| 2013 1.5% to 3.0% Sewer Various Purpose Bonds | 1,470,000 | 0 | 90,000 | 1,380,000 | 90,000 |
| Premium | 25,371 | 0 | 1,897 | 23,474 | 0 |
| Total General Obligation Refunding Bonds | 5,541,045 | 0 | 464,723 | 5,076,322 | 460,000 |
| <u>Special Assessment Bonds with Governmental Commitment</u> | | | | | |
| 2003 5.00% Sewer Various Purpose \$170,000 | 50,000 | 0 | 10,000 | 40,000 | 10,000 |
| <u>Other Long-Term Obligations</u> | | | | | |
| Landfill Closure and Postclosure | 24,462 | 39,571 | 24,462 | 39,571 | 39,571 |
| Compensated Absences Payable | 227,093 | 181,739 | 163,025 | 245,807 | 164,429 |
| Net Pension Liability - OPERS | 2,306,106 | 1,899,137 | 0 | 4,205,243 | 0 |
| Net OPEB Liability - OPERS | 1,584,746 | 386,871 | 0 | 1,971,617 | 0 |
| Total Other Long-Term Obligations | 4,142,407 | 2,507,318 | 187,487 | 6,462,238 | 204,000 |
| Total Business-type Activities | \$23,387,192 | \$9,369,904 | \$7,663,656 | \$25,093,440 | \$819,000 |

On March 20, 2019, the City issued \$6,815,875 in various purpose bond anticipation notes series A. The notes were issued to retire the 2018 various purpose bond anticipation notes series A. The notes were issued at 2.50 percent and matured on March 19, 2020. The notes were paid from the Water, Sewer, and Sanitation Funds with charges. The City had \$88,742 in unspent proceeds at December 31, 2019.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

On May 20, 2010, the City issued \$7,460,000 in Sewer Various Purpose general obligation bonds 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 Fund with charges.

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> |
|-------------|---------------------------|
| 2022 | \$315,000 |
| 2024 | 335,000 |
| 2034 | 1,335,000 |
| 2038 | <u>2,070,000</u> |
| Total | <u><u>\$4,055,000</u></u> |

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. The amount unmatured, unpaid as of December 31, 2019, is \$1,380,000.

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 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Compensated absences will be paid from the Water, Sewer, and Sanitation Enterprise Funds. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the Water, Sewer and Sanitation Enterprise Funds. For additional information related to the net pension and net OPEB liabilities see notes 12 and 13.

The City's overall legal debt margin was \$55,987,449 at December 31, 2019, and the unvoted debt margin was \$28,892,756.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2019, follows:

| Governmental Activities | | | | | |
|-------------------------|-------------------|-----------|--------------------------|----------|-----------|
| December 31, | TIF Revenue Bonds | | Special Assessment Bonds | | OPWC Loan |
| | Principal | Interest | Principal | Interest | Principal |
| 2020 | \$90,000 | \$26,438 | \$71,000 | \$9,573 | \$5,605 |
| 2021 | 95,000 | 24,636 | 72,000 | 6,697 | 11,209 |
| 2022 | 95,000 | 22,738 | 53,000 | 4,429 | 11,209 |
| 2023 | 95,000 | 20,838 | 54,000 | 2,512 | 11,209 |
| 2024 | 100,000 | 18,700 | 19,000 | 565 | 11,209 |
| 2025-2029 | 540,000 | 49,650 | 0 | 0 | 56,045 |
| 2030-2034 | 0 | 0 | 0 | 0 | 56,045 |
| 2035-2039 | 0 | 0 | 0 | 0 | 56,048 |
| 2040-2044 | 0 | 0 | 0 | 0 | 56,050 |
| 2045-2047 | 0 | 0 | 0 | 0 | 33,629 |
| Total | \$1,015,000 | \$163,000 | \$269,000 | \$23,776 | \$308,258 |

| Business type Activities | | | | |
|--------------------------|--------------------------|-------------|--------------------------|----------|
| December 31, | General Obligation Bonds | | Special Assessment Bonds | |
| | Principal | Interest | Principal | Interest |
| 2020 | \$605,000 | \$418,613 | \$10,000 | \$1,880 |
| 2021 | 620,000 | 403,976 | 10,000 | 1,410 |
| 2022 | 635,000 | 388,476 | 10,000 | 940 |
| 2023 | 650,000 | 372,577 | 10,000 | 470 |
| 2024 | 665,000 | 355,063 | 0 | 0 |
| 2025-2029 | 3,295,000 | 1,453,884 | 0 | 0 |
| 2030-2034 | 3,185,000 | 817,770 | 0 | 0 |
| 2035-2038 | 2,070,000 | 237,825 | 0 | 0 |
| Total | \$11,725,000 | \$4,448,184 | \$40,000 | \$4,700 |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 17 – 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 after closure. The City's landfill placed its final cover in 1989. The \$39,571 reported as a landfill post-closure care liability in the Sanitation Enterprise Fund at December 31, 2019, represents the estimated cost of maintenance and monitoring through 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Note 18 – Interfund Assets/Liabilities

Interfund balances at December 31, 2019, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

| | <u>Interfund Receivable</u> |
|-----------------------------|-----------------------------|
| | General |
| <u>Interfund Payable</u> | Fund |
| Nonmajor Governmental Funds | \$451,000 |

Interfund transfers for the year ended December 31, 2019, consisted of the following:

| | <u>Transfers To</u> | | | |
|-----------------------|---------------------|--------------------|------------------|--------------------|
| | | | Nonmajor | |
| <u>Transfers From</u> | Fire and EMS | Police | Governmental | Total |
| Fund | Fund | Fund | Funds | |
| General Fund | \$2,979,700 | \$3,850,000 | \$853,635 | \$7,683,335 |
| Nonmajor | | | | |
| Governmental Funds | 0 | 0 | 50,000 | 50,000 |
| Total | <u>\$2,979,700</u> | <u>\$3,850,000</u> | <u>\$903,635</u> | <u>\$7,733,335</u> |

Transfers from the General Fund are used to move General Fund revenues into other funds to subsidize various programs and for debt service requirements. The transfer between nonmajor governmental funds and nonmajor governmental funds of \$50,000 was to assist in equipment acquisitions.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 19 – 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, and Dayton. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Payments to the Commission are made from the General Fund. Each member’s degree of control is limited to its representation on the Board. The City contributed \$14,882 for the operation of the Commission during 2019. Financial information may be obtained from the Miami Valley Regional Planning Commission, 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, 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 its 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 2019. Financial information can be obtained from the fiscal agent by writing to the Regional Emergency Response Team, c/o the City of Beavercreek, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Task Force are made from the General Fund. The City contributed \$20,000 during 2019. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), 120 East Main Street, Xenia, OH 45385.

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 did not contribute to the Fairborn Development Corporation during 2019. Financial information can be obtained by writing to Fairborn Development Corporation, c/o The City of Fairborn, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 \$3,354 during 2019. Financial information can be obtained from the Greene County Regional Planning and Coordination Commission, 651 Dayton-Xenia Road, Suite #1, Xenia, Ohio 45385.

Regional Income Tax Agency (RITA)

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2019, the City paid RITA \$394,765 for income tax collection services.

Note 20 – 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 five insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental, vision, 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 \$250,000 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 Large Claim Reimbursement Program (LCRP). The LCRP 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 LCRP 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 LCRP that is based on the claims of the LCRP in aggregate and is not based on individual claims experience.

In the event of a deficiency in the LCRP, 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.

Note 21 - 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 | \$511,592 |
| Fire and EMS | 137,468 |
| Police | 40,508 |
| County Motor Vehicle Tax | 2,560,365 |
| Public Safety Police/Fire | 263,741 |
| Other Governmental Funds | 760,233 |
| Total Governmental Funds | <u>\$4,273,907</u> |
| | (continued) |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Enterprise Funds:

| | |
|------------------------|------------------|
| Water | \$790,375 |
| Sewer | 839,448 |
| Sanitation | 389,112 |
| Total Enterprise Funds | <u>2,018,935</u> |

Internal Service Funds:

| | |
|------------------------------|---------------------------|
| Equipment | 56,523 |
| Information Technology | 69,208 |
| Total Internal Service Funds | <u>125,731</u> |
| Total | <u><u>\$6,418,573</u></u> |

Contractual Commitments

As of December 31, 2019, the City had the following commitments with respect to capital projects:

| Project | Construction Commitments |
|--|-----------------------------|
| Tyler Technology Software | \$49,709 |
| Kauffman Avenue Widening Design | 421,777 |
| Maple Avenue Phase I Design | 115,764 |
| Broad Street Improvements | 94,091 |
| Maple Avenue Phase II Design | 379,194 |
| Digesters 1 and 2 Blower Upgrade | 22,509 |
| Colonel Glenn Highway Phase 1 Enhancement | 104,661 |
| Kauffman/Colonel Glenn Roundabout | 552,185 |
| Yellow Springs-Fairfield Road Improvement | 47,925 |
| Xenia Drive | 45,334 |
| Central Avenue | 74,458 |
| Dayton Yellow Springs Road - Gateway to Commerce | 325,000 |
| Public Works Facility | 222,465 |
| Park Office Lean To | 64,000 |
| Five Points Tower Painting | 31,106 |
| Five Points Tower Maintenance | 42,757 |
| Solids Dewatering | 75,000 |
| MR Well 3 | 124,188 |
| Clarifier 1 and 2 Metal Repair 2019 | 220,000 |
| Family Video Demolition | 24,988 |
| Commerical Waste Disposal Contract | 35,787 |
| Residential Waste Disposal | 284,070 |
| Oxidation Ditch Clarifier Process Modeling | 76,211 |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 22 – 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 as follows:

| Fund Balances | General Fund | Fire and EMS Fund | Police Fund | County Motor Vehicle Tax Fund |
|---------------------------------------|--------------------|-------------------------|-----------------|-------------------------------------|
| <u>Nonspendable:</u> | | | | |
| Material and Supplies | \$21,949 | \$0 | \$7,293 | \$0 |
| Unclaimed Monies | 59,663 | 0 | 0 | 0 |
| Total Nonspendable | <u>81,612</u> | <u>0</u> | <u>7,293</u> | <u>0</u> |
| <u>Restricted for:</u> | | | | |
| Public Safety | 0 | 318,240 | 30,145 | 0 |
| Transportation and Street Repair | 0 | 0 | 0 | 2,578,730 |
| Total Restricted | <u>0</u> | <u>318,240</u> | <u>30,145</u> | <u>2,578,730</u> |
| <u>Assigned to:</u> | | | | |
| Purchases on Order for: | | | | |
| General Government | 285,341 | 0 | 0 | 0 |
| Leisure Time Services | 46,203 | 0 | 0 | 0 |
| Community and Economic Development | 80,595 | 0 | 0 | 0 |
| Capital Projects | 60,310 | 0 | 0 | 0 |
| General Capital Improvements | 0 | 0 | 0 | 0 |
| Future Appropriations | 2,734,370 | 0 | 0 | 0 |
| Total Assigned | <u>3,206,819</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>Unassigned (Deficits):</u> | <u>6,052,931</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Fund Balances (Deficits) | <u>\$9,341,362</u> | <u>\$318,240</u> | <u>\$37,438</u> | <u>\$2,578,730</u> |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

| Fund Balances | Public Safety Police/Fire Fund | Nonmajor Governmental Funds | Total |
|---------------------------------------|--------------------------------------|-----------------------------------|---------------------|
| <u>Nonspendable:</u> | | | |
| Material and Supplies | \$0 | \$180,021 | \$209,263 |
| Unclaimed Monies | 0 | 0 | 59,663 |
| Total Nonspendable | <u>0</u> | <u>180,021</u> | <u>268,926</u> |
| <u>Restricted for:</u> | | | |
| Debt Service | 0 | 103,594 | 103,594 |
| Capital Improvements | 0 | 1,036,171 | 1,036,171 |
| Public Safety | 627,059 | 957,682 | 1,933,126 |
| Transportation and Street Repair | 0 | 1,290,757 | 3,869,487 |
| Community and Economic Development | 0 | 2,226,793 | 2,226,793 |
| Total Restricted | <u>627,059</u> | <u>5,614,997</u> | <u>9,169,171</u> |
| <u>Committed to:</u> | | | |
| Cemetery Operations | 0 | 56,606 | 56,606 |
| Land and Building Improvements | 0 | 336,368 | 336,368 |
| Recreation Improvements | 0 | 323,709 | 323,709 |
| Total Committed | <u>0</u> | <u>716,683</u> | <u>716,683</u> |
| <u>Assigned to:</u> | | | |
| Purchases on Order for: | | | |
| General Government | 0 | 0 | 285,341 |
| Leisure Time Services | 0 | 0 | 46,203 |
| Community and Economic Development | 0 | 0 | 80,595 |
| Capital Projects | 0 | 0 | 60,310 |
| General Capital Improvements | 0 | 562,794 | 562,794 |
| Future Appropriations | 0 | 0 | 2,734,370 |
| Total Assigned | <u>0</u> | <u>562,794</u> | <u>3,769,613</u> |
| <u>Unassigned (Deficits):</u> | <u>0</u> | <u>(2,144,747)</u> | <u>3,908,184</u> |
| Total Fund Balances (Deficits) | <u>\$627,059</u> | <u>\$4,929,748</u> | <u>\$17,832,577</u> |

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 23 – 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, 2019. 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, 2019, to December 31, 2019, 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 24 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates have not incurred a significant decline in fair value. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

On March 19, 2020, the City issued various Bond Anticipation Notes in the amount of \$6,567,100.

On June 3, 2020, the City issued Special Obligation Nontax Revenue Bond Anticipation Notes in the amount of \$4,032,000.

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 Six Years (1)

| | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.06675800% | 0.06391200% | 0.06196500% |
| City's Proportionate Share of the Net Pension Liability | \$18,283,663 | \$10,026,554 | \$14,071,198 |
| City's Covered Payroll | \$9,016,814 | \$9,037,292 | \$8,025,850 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 202.77% | 110.95% | 175.32% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.70% | 84.66% | 77.25% |

(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 the prior year end.

See accompanying notes to the required supplementary information.

| 2016 | 2015 | 2014 |
|--------------|-------------|-------------|
| 0.06053100% | 0.06062000% | 0.06062000% |
| \$10,484,734 | \$7,311,449 | \$7,146,308 |
| \$7,517,724 | \$7,432,075 | \$7,261,831 |
| 139.47% | 98.38% | 98.41% |
| 81.08% | 86.45% | 86.36% |

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

| | 2019 | 2018 |
|--|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.06476200% | 0.07745400% |
| City's Proportionate Share of the Net Pension (Asset) | (\$72,419) | (\$105,440) |
| City's Covered Payroll | \$276,979 | \$317,215 |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | (26.15%) | (33.24%) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 126.64% | 137.28% |

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information.

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

| | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability | 0.06575000% | 0.06345000% | 0.06145000% |
| City's Proportionate Share of the Net OPEB Liability | \$8,572,248 | \$6,890,203 | \$6,206,659 |
| City's Covered Payroll | \$9,536,868 | \$9,578,782 | \$8,492,908 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 89.89% | 71.93% | 73.08% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.33% | 54.14% | 54.04% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

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 Six Years (1)

| | 2019 | 2018 |
|--|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.03760330% | 0.37919600% |
| City's Proportionate Share of the Net Pension Liability | \$30,694,228 | \$23,272,972 |
| City's Covered Payroll | \$8,385,409 | \$8,979,786 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 366.04% | 259.17% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 63.07% | 70.91% |

(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 the prior year end.

See accompanying notes to the required supplementary information.

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|--------------|--------------|
| 0.36342900% | 0.37672500% | 0.37679490% | 0.37679490% |
| \$23,019,228 | \$24,234,984 | \$19,519,547 | \$18,351,094 |
| \$6,865,876 | \$7,521,151 | \$7,331,137 | \$6,483,988 |
| 335.27% | 322.22% | 266.26% | 283.02% |
| 68.36% | 66.77% | 72.20% | 73.00% |



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

| | 2019 | 2018 | 2017 |
|---|-------------|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.03760330% | 0.37919600% | 0.36342900% |
| City's Proportionate Share of the Net OPEB Liability | \$3,424,358 | \$21,484,713 | \$17,251,157 |
| City's Covered Payroll | \$8,385,409 | \$8,979,786 | \$6,865,876 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 40.84% | 239.26% | 251.26% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.57% | 14.13% | 15.96% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

City of Fairborn, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Seven Years (1) (2)

| | 2019 | 2018 | 2017 |
|---|--------------------|--------------------|--------------------|
| Net Pension Liability - Traditional Plan: | | | |
| Contractually Required Contribution | \$1,309,209 | \$1,262,354 | \$1,174,848 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,309,209)</u> | <u>(1,262,354)</u> | <u>(1,174,848)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll | \$9,351,493 | \$9,016,814 | \$9,037,292 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 13.00% |
| Net Pension Liability - Combined Plan: | | | |
| Contractually Required Contribution | \$32,275 | \$38,777 | \$41,238 |
| Contributions in Relation to the Contractually Required Contribution | <u>(32,275)</u> | <u>(38,777)</u> | <u>(41,238)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll | \$230,536 | \$276,979 | \$317,215 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 13.00% |
| Net OPEB Liability - OPEB Plan: | | | |
| Contractually Required Contribution | \$9,615 | \$9,723 | \$102,516 |
| Contributions in Relation to the Contractually Required Contribution | <u>(9,615)</u> | <u>(9,723)</u> | <u>(102,516)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll (3) | \$9,822,404 | \$9,536,868 | \$9,578,782 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.10% | 0.10% | 1.07% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available for the traditional plan, and information prior to 2015 is not available for the combined plan. An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented for the OPEB plan.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

| 2016 | 2015 | 2014 | 2013 |
|-------------|-------------|-------------|-------------|
| \$963,102 | \$902,127 | \$891,849 | \$944,038 |
| (963,102) | (902,127) | (891,849) | (944,038) |
| \$0 | \$0 | \$0 | \$0 |
| \$8,025,850 | \$7,517,724 | \$7,432,075 | \$7,261,831 |
| 12.00% | 12.00% | 12.00% | 13.00% |
| \$35,104 | \$30,795 | | |
| (35,104) | (30,795) | | |
| \$0 | \$0 | | |
| \$292,533 | \$256,625 | | |
| 12.00% | 12.00% | | |
| \$173,349 | | | |
| (173,349) | | | |
| \$0 | | | |
| \$8,492,908 | | | |
| 2.04% | | | |

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

| | 2019 | 2018 | 2017 | 2016 |
|---|--------------------|--------------------|--------------------|--------------------|
| Net Pension Liability: | | | | |
| Contractually Required Contribution | \$1,873,347 | \$1,795,179 | \$1,925,564 | \$1,472,036 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,873,347)</u> | <u>(1,795,179)</u> | <u>(1,925,564)</u> | <u>(1,472,036)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll (1) | \$8,760,530 | \$8,385,409 | \$8,979,786 | \$6,865,876 |
| Pension Contributions as a Percentage of Covered Payroll | 21.38% | 21.41% | 21.44% | 21.44% |
| Net OPEB Liability: | | | | |
| Contractually Required Contribution | \$43,803 | \$41,927 | \$44,899 | \$34,329 |
| Contributions in Relation to the Contractually Required Contribution | <u>(43,803)</u> | <u>(41,927)</u> | <u>(44,899)</u> | <u>(34,329)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OPEB Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% |
| Total Contributions as a Percentage of Covered Payroll | <u>21.88%</u> | <u>21.91%</u> | <u>21.94%</u> | <u>21.94%</u> |

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information.

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--------------------|--------------------|--------------------|------------------|------------------|--------------------|
| \$1,614,648 | \$1,576,862 | \$1,196,038 | \$999,985 | \$987,882 | \$1,112,011 |
| <u>(1,614,648)</u> | <u>(1,576,862)</u> | <u>(1,196,038)</u> | <u>(999,985)</u> | <u>(987,882)</u> | <u>(1,112,011)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$7,521,151 | \$7,331,137 | \$6,483,988 | \$6,594,406 | \$6,505,473 | \$7,322,201 |
| 21.47% | 21.51% | 18.45% | 15.16% | 15.19% | 15.19% |
| \$37,605 | \$36,655 | \$234,505 | \$445,122 | \$439,119 | \$494,249 |
| <u>(37,605)</u> | <u>(36,655)</u> | <u>(234,505)</u> | <u>(445,122)</u> | <u>(439,119)</u> | <u>(494,249)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| 0.50% | 0.50% | 3.62% | 6.75% | 6.75% | 6.75% |
| <u>21.97%</u> | <u>22.01%</u> | <u>22.07%</u> | <u>21.91%</u> | <u>21.94%</u> | <u>21.94%</u> |

City of Fairborn, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used beginning in 2017 and in 2016 and prior are presented below:

| | 2019 | 2018 and 2017 | 2016 and prior |
|---|---|---|--|
| Wage Inflation | 3.25 percent | 3.25 percent | 3.75 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 10.75 percent including wage inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or Ad Hoc COLA: | | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | 3 percent, simple through 2018, then 2.15 percent, simple | 3 percent, simple through 2018, then 2.15 percent, simple | 3 percent, simple through 2018, then 2.8 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.5 percent | 8 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age | Individual Entry Age |

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates 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.

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

City of Fairborn, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

| | 2018 | 2017 and Prior |
|----------------------------|--|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 | January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 8.0 percent | 8.25 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 4.25 percent to 11 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent | Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent | 3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

Amounts reported for 2017 and prior use valuation, rates of death were 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.

City of Fairborn, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions – OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

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 municipal income taxes restricted for street projects, and 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 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. This fund had no cash activity during 2019, therefore no budgetary statement is presented.

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. The grant money was provided to the community for renovations, and is now being returned to the city. This Fund had no cash activity during 2019, therefore no budgetary statement is presented.

Community Development Block Grant Fund

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

(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.

Justice Reinvestment and Incentive Grant Fund

Justice Reinvestment and Incentive Grant Fund accounts for and reports restricted State grant money received for corrections and public safety 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 money received to reimburse the City for the demolition of vacant, abandoned, and blighted properties that detract from existing home values and may lead to increased crime.

Federal Emergency Management Agency Fund

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

Community Redevelopment Fund

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

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 restricted for the purpose of providing the municipality with security for the expenses in removing, repairing or securing the building or other structure.

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.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(Continued)

Debt Service Fund

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

Nonmajor Debt Service Fund

General Bond Retirement Fund

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

Capital Projects Funds

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

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 received for improvements in the City's park system.

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 and is committed to fund major repairs, replacements and improvements 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, 2019

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|--|
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,965,502 | \$103,594 | \$2,431,405 | \$5,500,501 |
| Receivables: | | | | |
| Other Local Taxes | 0 | 0 | 23,462 | 23,462 |
| Municipal Income Taxes | 210,000 | 0 | 0 | 210,000 |
| Revenue in Lieu of Taxes | 0 | 0 | 702,786 | 702,786 |
| Accounts | 0 | 676,981 | 0 | 676,981 |
| Intergovernmental | 1,033,776 | 0 | 0 | 1,033,776 |
| Special Assessments | 0 | 270,914 | 0 | 270,914 |
| Loans | 500,000 | 0 | 0 | 500,000 |
| Assets Held for Resale | 2,082,801 | 0 | 0 | 2,082,801 |
| Materials and Supplies Inventory | 180,021 | 0 | 0 | 180,021 |
| <i>Total Assets</i> | <u>\$6,972,100</u> | <u>\$1,051,489</u> | <u>\$3,157,653</u> | <u>\$11,181,242</u> |
| Liabilities: | | | | |
| Accounts Payable | \$42,944 | \$0 | \$13,867 | \$56,811 |
| Interfund Payable | 451,000 | 0 | 0 | 451,000 |
| Accrued Wages Payable | 26,580 | 0 | 4,021 | 30,601 |
| Intergovernmental Payable | 8,883 | 0 | 621 | 9,504 |
| Deposits Held and Due to Others | 24,711 | 0 | 0 | 24,711 |
| Accrued Interest Payable | 8,648 | 0 | 16,823 | 25,471 |
| Notes Payable | 819,598 | 0 | 2,276,821 | 3,096,419 |
| <i>Total Liabilities</i> | <u>1,382,364</u> | <u>0</u> | <u>2,312,153</u> | <u>3,694,517</u> |
| Deferred Inflows of Resources: | | | | |
| Revenue in Lieu of Taxes | 0 | 0 | 702,786 | 702,786 |
| Unavailable Revenue | 906,296 | 947,895 | 0 | 1,854,191 |
| <i>Total Deferred Inflows of Resources</i> | <u>906,296</u> | <u>947,895</u> | <u>702,786</u> | <u>2,556,977</u> |
| Fund Balances: | | | | |
| Nonspendable | 180,021 | 0 | 0 | 180,021 |
| Restricted | 4,475,232 | 103,594 | 1,036,171 | 5,614,997 |
| Committed | 56,606 | 0 | 660,077 | 716,683 |
| Assigned | 0 | 0 | 562,794 | 562,794 |
| Unassigned (Deficit) | (28,419) | 0 | (2,116,328) | (2,144,747) |
| <i>Total Fund Balances (Deficits)</i> | <u>4,683,440</u> | <u>103,594</u> | <u>142,714</u> | <u>4,929,748</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$6,972,100</u> | <u>\$1,051,489</u> | <u>\$3,157,653</u> | <u>\$11,181,242</u> |

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|--|--|
| Revenues: | | | | |
| Other Local Taxes | \$0 | \$0 | \$209,183 | \$209,183 |
| Municipal Income Taxes | 210,000 | 0 | 0 | 210,000 |
| Revenue in Lieu of Taxes | 0 | 0 | 728,180 | 728,180 |
| Fines, Licenses and Permits | 262,573 | 0 | 201,370 | 463,943 |
| Charges for Services | 39,140 | 100,551 | 97,838 | 237,529 |
| Investment Earnings | 44,211 | 23,610 | 10,128 | 77,949 |
| Intergovernmental | 2,398,929 | 0 | 49,000 | 2,447,929 |
| Special Assessments | 0 | 38,266 | 0 | 38,266 |
| Contributions and Donations | 7,876 | 0 | 0 | 7,876 |
| Other | 220,907 | 0 | 63,603 | 284,510 |
| <i>Total Revenues</i> | <u>3,183,636</u> | <u>162,427</u> | <u>1,359,302</u> | <u>4,705,365</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 159,102 | 1,662 | 229,990 | 390,754 |
| Public Safety | 533,264 | 0 | 0 | 533,264 |
| Leisure Time Activities | 0 | 0 | 18,343 | 18,343 |
| Community Development | 634,036 | 0 | 0 | 634,036 |
| Transportation and Street Repair | 1,386,023 | 0 | 0 | 1,386,023 |
| Public Health and Welfare | 125,069 | 0 | 0 | 125,069 |
| Capital Outlay | 389,628 | 0 | 495,533 | 885,161 |
| Intergovernmental | 0 | 0 | 436,813 | 436,813 |
| Debt Service: | | | | |
| Principal Retirement | 1,230,000 | 50,000 | 723,150 | 2,003,150 |
| Interest and Fiscal Charges | 121,840 | 8,524 | 90,982 | 221,346 |
| <i>Total Expenditures</i> | <u>4,578,962</u> | <u>60,186</u> | <u>1,994,811</u> | <u>6,633,959</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,395,326)</u> | <u>102,241</u> | <u>(635,509)</u> | <u>(1,928,594)</u> |
| Other Financing Sources (Uses): | | | | |
| Special Assessment Bonds Issued | 0 | 1,241 | 83,799 | 85,040 |
| Notes Issued | 4,032,000 | 0 | 477,298 | 4,509,298 |
| Premium on Debt Issued | 42,980 | 0 | 4,339 | 47,319 |
| Transfers-In | 421,700 | 0 | 481,935 | 903,635 |
| Transfers-Out | (50,000) | 0 | 0 | (50,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>4,446,680</u> | <u>1,241</u> | <u>1,047,371</u> | <u>5,495,292</u> |
| <i>Net Change in Fund Balances</i> | <u>3,051,354</u> | <u>103,482</u> | <u>411,862</u> | <u>3,566,698</u> |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>1,632,086</u> | <u>112</u> | <u>(269,148)</u> | <u>1,363,050</u> |
| <i>Fund Balances at End of Year</i> | <u><u>\$4,683,440</u></u> | <u><u>\$103,594</u></u> | <u><u>\$142,714</u></u> | <u><u>\$4,929,748</u></u> |

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

| | Street Maintenance and Repair Fund | State Highway Fund | Community Development Fund |
|---|--|--------------------------|----------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,051,014 | \$205,840 | \$38,646 |
| Receivables: | | | |
| Municipal Income Taxes | 210,000 | 0 | 0 |
| Intergovernmental | 887,111 | 71,930 | 0 |
| Loans | 0 | 0 | 0 |
| Assets Held for Resale | 0 | 0 | 0 |
| Materials and Supplies Inventory | 180,021 | 0 | 0 |
| <i>Total Assets</i> | <u>\$2,328,146</u> | <u>\$277,770</u> | <u>\$38,646</u> |
| Liabilities: | | | |
| Accounts Payable | \$18,639 | \$1,086 | \$0 |
| Interfund Payable | 0 | 0 | 0 |
| Accrued Wages Payable | 13,165 | 1,419 | 0 |
| Intergovernmental Payable | 6,432 | 271 | 0 |
| Deposits Held and Due to Others | 0 | 0 | 0 |
| Accrued Interest Payable | 4,568 | 0 | 0 |
| Notes Payable | 230,262 | 0 | 0 |
| <i>Total Liabilities</i> | <u>273,066</u> | <u>2,776</u> | <u>0</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenue | 810,597 | 48,699 | 0 |
| Fund Balances: | | | |
| Nonspendable | 180,021 | 0 | 0 |
| Restricted | 1,064,462 | 226,295 | 38,646 |
| Committed | 0 | 0 | 0 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficits)</i> | <u>1,244,483</u> | <u>226,295</u> | <u>38,646</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$2,328,146</u> | <u>\$277,770</u> | <u>\$38,646</u> |

| Cemetery Fund | Neighborhood Stabilization Fund | Neighborhood Stabilization II Fund | Community Development Block Grant Fund | Victim Witness Fund | Home Fund |
|------------------|---------------------------------------|--|---|---------------------------|------------------|
| \$58,958 | \$10,251 | \$3,000 | \$352,566 | \$30,522 | \$93,975 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 23,567 | 7,408 | 22,321 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 37,605 | 24,053 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$58,958</u> | <u>\$47,856</u> | <u>\$27,053</u> | <u>\$376,133</u> | <u>\$37,930</u> | <u>\$116,296</u> |
| \$750 | \$0 | \$0 | \$1,500 | \$641 | \$0 |
| 0 | 0 | 0 | 376,000 | 0 | 75,000 |
| 1,333 | 0 | 0 | 2,941 | 4,576 | 0 |
| 269 | 0 | 0 | 544 | 880 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>2,352</u> | <u>0</u> | <u>0</u> | <u>380,985</u> | <u>6,097</u> | <u>75,000</u> |
| 0 | 0 | 0 | 23,567 | 0 | 1,994 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 47,856 | 27,053 | 0 | 31,833 | 39,302 |
| 56,606 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | (28,419) | 0 | 0 |
| <u>56,606</u> | <u>47,856</u> | <u>27,053</u> | <u>(28,419)</u> | <u>31,833</u> | <u>39,302</u> |
| <u>\$58,958</u> | <u>\$47,856</u> | <u>\$27,053</u> | <u>\$376,133</u> | <u>\$37,930</u> | <u>\$116,296</u> |

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019
(Continued)

| | Justice Reinvestment and Incentive Grant Fund | Law Enforcement Trust Fund | Drug Law Enforcement Fund |
|---|--|----------------------------------|---------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$22,318 | \$46,744 | \$6,019 |
| Receivables: | | | |
| Municipal Income Taxes | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 |
| Assets Held for Resale | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$22,318</u> | <u>\$46,744</u> | <u>\$6,019</u> |
| Liabilities: | | | |
| Accounts Payable | \$0 | \$0 | \$0 |
| Interfund Payable | 0 | 0 | 0 |
| Accrued Wages Payable | 1,473 | 0 | 0 |
| Intergovernmental Payable | 227 | 0 | 0 |
| Deposits Held and Due to Others | 0 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>1,700</u> | <u>0</u> | <u>0</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenue | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances: | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 20,618 | 46,744 | 6,019 |
| Committed | 0 | 0 | 0 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficits)</i> | <u>20,618</u> | <u>46,744</u> | <u>6,019</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$22,318</u> | <u>\$46,744</u> | <u>\$6,019</u> |

| Indigent Drivers Alcohol Treatment Fund | Alcohol Enforcement and Education Fund | Federal Forfeitures Fund | Municipal Probation Services Fund | Traffic Intervention Fund | Court Legal Research/ Computerization Fund |
|--|---|--------------------------------|---|---------------------------------|---|
| \$254,827 | \$3,713 | \$39,358 | \$155,869 | \$15,058 | \$63,576 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$254,827</u> | <u>\$3,713</u> | <u>\$39,358</u> | <u>\$155,869</u> | <u>\$15,058</u> | <u>\$63,576</u> |
| \$0 | \$0 | \$2,235 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 1,569 | 0 | 0 |
| 0 | 0 | 0 | 243 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>2,235</u> | <u>1,812</u> | <u>0</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 254,827 | 3,713 | 37,123 | 154,057 | 15,058 | 63,576 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>254,827</u> | <u>3,713</u> | <u>37,123</u> | <u>154,057</u> | <u>15,058</u> | <u>63,576</u> |
| <u>\$254,827</u> | <u>\$3,713</u> | <u>\$39,358</u> | <u>\$155,869</u> | <u>\$15,058</u> | <u>\$63,576</u> |

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019
(Continued)

| | Court Clerk Computerization Fund | Indigent Driver's Interlock and Alcohol Monitoring Fund | Moving Ohio Forward Fund |
|---|---|--|-----------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$243,685 | \$83,449 | \$22,778 |
| Receivables: | | | |
| Municipal Income Taxes | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 |
| Assets Held for Resale | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$243,685</u> | <u>\$83,449</u> | <u>\$22,778</u> |
| Liabilities: | | | |
| Accounts Payable | \$0 | \$2,899 | \$3,750 |
| Interfund Payable | 0 | 0 | 0 |
| Accrued Wages Payable | 104 | 0 | 0 |
| Intergovernmental Payable | 17 | 0 | 0 |
| Deposits Held and Due to Others | 0 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>121</u> | <u>2,899</u> | <u>3,750</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenue | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances: | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 243,564 | 80,550 | 19,028 |
| Committed | 0 | 0 | 0 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficits)</i> | <u>243,564</u> | <u>80,550</u> | <u>19,028</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$243,685</u> | <u>\$83,449</u> | <u>\$22,778</u> |

| Federal Emergency Management Agency Fund | Community Redevelopment Fund | Fire Loss Escrow Fund | Total Nonmajor Special Revenue Funds |
|--|------------------------------------|--------------------------------|--|
| \$0 | \$138,625 | \$24,711 | \$2,965,502 |
| 0 | 0 | 0 | 210,000 |
| 21,439 | 0 | 0 | 1,033,776 |
| 0 | 500,000 | 0 | 500,000 |
| 0 | 2,021,143 | 0 | 2,082,801 |
| 0 | 0 | 0 | 180,021 |
| <u>\$21,439</u> | <u>\$2,659,768</u> | <u>\$24,711</u> | <u>\$6,972,100</u> |
| \$0 | \$11,444 | \$0 | \$42,944 |
| 0 | 0 | 0 | 451,000 |
| 0 | 0 | 0 | 26,580 |
| 0 | 0 | 0 | 8,883 |
| 0 | 0 | 24,711 | 24,711 |
| 0 | 4,080 | 0 | 8,648 |
| 0 | 589,336 | 0 | 819,598 |
| 0 | 604,860 | 24,711 | 1,382,364 |
| <u>21,439</u> | <u>0</u> | <u>0</u> | <u>906,296</u> |
| 0 | 0 | 0 | 180,021 |
| 0 | 2,054,908 | 0 | 4,475,232 |
| 0 | 0 | 0 | 56,606 |
| 0 | 0 | 0 | (28,419) |
| 0 | 2,054,908 | 0 | 4,683,440 |
| <u>\$21,439</u> | <u>\$2,659,768</u> | <u>\$24,711</u> | <u>\$6,972,100</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, 2019

| | Street Maintenance and Repair Fund | State Highway Fund | Community Development Fund |
|--|---|--------------------------|----------------------------------|
| Revenues: | | | |
| Municipal Income Taxes | \$210,000 | \$0 | \$0 |
| Fines, Licenses and Permits | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 |
| Investment Earnings | 17,826 | 3,505 | 0 |
| Intergovernmental | 1,515,618 | 122,888 | 0 |
| Contributions and Donations | 0 | 0 | 0 |
| Other | 112,340 | 698 | 0 |
| <i>Total Revenues</i> | <u>1,855,784</u> | <u>127,091</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 |
| Community Development | 0 | 0 | 0 |
| Transportation and Street Repair | 1,283,022 | 103,001 | 0 |
| Public Health and Welfare | 0 | 0 | 0 |
| Capital Outlay | 310,917 | 1,326 | 0 |
| Debt Service: | | | |
| Principal Retirement | 230,000 | 0 | 0 |
| Interest and Fiscal Charges | 8,871 | 0 | 0 |
| <i>Total Expenditures</i> | <u>1,832,810</u> | <u>104,327</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>22,974</u> | <u>22,764</u> | <u>0</u> |
| Other Financing Sources (Uses): | | | |
| Notes Issued | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 0 | 0 |
| Transfers-In | 0 | 0 | 0 |
| Transfers-Out | (50,000) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(50,000)</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (27,026) | 22,764 | 0 |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>1,271,509</u> | <u>203,531</u> | <u>38,646</u> |
| <i>Fund Balances (Deficits) at End of Year</i> | <u><u>\$1,244,483</u></u> | <u><u>\$226,295</u></u> | <u><u>\$38,646</u></u> |

| Cemetery Fund | Neighborhood Stabilization Fund | Neighborhood Stabilization II Fund | Community Development Block Grant Fund | Victim Witness Fund | Home Fund |
|------------------|---------------------------------------|--|---|---------------------------|--------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 31,318 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 341,105 | 140,724 | 196,128 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 846 | 0 | 0 | 1,208 | 2,338 | 5,305 |
| 32,164 | 0 | 0 | 342,313 | 143,062 | 201,433 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 241,438 | 0 |
| 0 | 0 | 0 | 290,947 | 0 | 202,422 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 125,069 | 0 | 0 | 0 | 0 | 0 |
| 1,133 | 0 | 0 | 3,003 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 126,202 | 0 | 0 | 293,950 | 241,438 | 202,422 |
| (94,038) | 0 | 0 | 48,363 | (98,376) | (989) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 80,000 | 0 | 0 | 0 | 91,700 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 80,000 | 0 | 0 | 0 | 91,700 | 0 |
| (14,038) | 0 | 0 | 48,363 | (6,676) | (989) |
| 70,644 | 47,856 | 27,053 | (76,782) | 38,509 | 40,291 |
| \$56,606 | \$47,856 | \$27,053 | (\$28,419) | \$31,833 | \$39,302 |

(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, 2019
(Continued)

| | Justice Reinvestment and Incentive Grant Fund | Law Enforcement Trust Fund | Drug Law Enforcement Fund |
|--|---|-------------------------------------|---------------------------------|
| Revenues: | | | |
| Municipal Income Taxes | \$0 | \$0 | \$0 |
| Fines, Licenses and Permits | 0 | 0 | 1,752 |
| Charges for Services | 0 | 0 | 0 |
| Investment Earnings | (464) | 0 | 0 |
| Intergovernmental | 77,109 | 1,888 | 0 |
| Contributions and Donations | 0 | 7,876 | 0 |
| Other | 0 | 20,145 | 0 |
| <i>Total Revenues</i> | <u>76,645</u> | <u>29,909</u> | <u>1,752</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 0 | 0 | 0 |
| Public Safety | 89,440 | 14,771 | 0 |
| Community Development | 0 | 0 | 0 |
| Transportation and Street Repair | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 0 |
| Capital Outlay | 0 | 13,314 | 6,000 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>89,440</u> | <u>28,085</u> | <u>6,000</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(12,795)</u> | <u>1,824</u> | <u>(4,248)</u> |
| Other Financing Sources (Uses): | | | |
| Notes Issued | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 0 | 0 |
| Transfers-In | 0 | 0 | 0 |
| Transfers-Out | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (12,795) | 1,824 | (4,248) |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>33,413</u> | <u>44,920</u> | <u>10,267</u> |
| <i>Fund Balances (Deficits) at End of Year</i> | <u><u>\$20,618</u></u> | <u><u>\$46,744</u></u> | <u><u>\$6,019</u></u> |

| Indigent Drivers Alcohol Treatment Fund | Alcohol Enforcement and Education Fund | Federal Forfeitures Fund | Municipal Probation Services Fund | Traffic Intervention Fund | Court Legal Research/ Computerization Fund |
|---|---|--------------------------------|--|---------------------------------|---|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 40,213 | 1,621 | 0 | 76,677 | 13,376 | 16,906 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 707 | 0 | 0 | 0 |
| 0 | 0 | 2,400 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 2,999 | 0 | 0 | 0 |
| 40,213 | 1,621 | 6,106 | 76,677 | 13,376 | 16,906 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 24,125 | 1,897 | 13,038 | 90,661 | 0 | 14,719 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 1,754 | 1,547 | 0 | 0 | 10,778 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 24,125 | 3,651 | 14,585 | 90,661 | 0 | 25,497 |
| 16,088 | (2,030) | (8,479) | (13,984) | 13,376 | (8,591) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 16,088 | (2,030) | (8,479) | (13,984) | 13,376 | (8,591) |
| 238,739 | 5,743 | 45,602 | 168,041 | 1,682 | 72,167 |
| \$254,827 | \$3,713 | \$37,123 | \$154,057 | \$15,058 | \$63,576 |

(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, 2019
(Continued)

| | Court Clerk Computerization Fund | Indigent Driver's Interlock and Alcohol Monitoring Fund | Moving Ohio Forward Fund |
|--|---|--|-----------------------------------|
| Revenues: | | | |
| Municipal Income Taxes | \$0 | \$0 | \$0 |
| Fines, Licenses and Permits | 91,158 | 20,870 | 0 |
| Charges for Services | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>91,158</u> | <u>20,870</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 159,102 | 0 | 0 |
| Public Safety | 0 | 29,475 | 0 |
| Community Development | 0 | 0 | 17,947 |
| Transportation and Street Repair | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 0 |
| Capital Outlay | 28,412 | 0 | 0 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>187,514</u> | <u>29,475</u> | <u>17,947</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(96,356)</u> | <u>(8,605)</u> | <u>(17,947)</u> |
| Other Financing Sources (Uses): | | | |
| Notes Issued | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 0 | 0 |
| Transfers-In | 0 | 0 | 0 |
| Transfers-Out | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | <u>(96,356)</u> | <u>(8,605)</u> | <u>(17,947)</u> |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>339,920</u> | <u>89,155</u> | <u>36,975</u> |
| <i>Fund Balances (Deficits) at End of Year</i> | <u><u>\$243,564</u></u> | <u><u>\$80,550</u></u> | <u><u>\$19,028</u></u> |

| Federal Emergency Management Agency Fund | Community Redevelopment Fund | Fire Loss Escrow Fund | Total Nonmajor Special Revenue Funds |
|--|------------------------------------|--------------------------------|--|
| \$0 | \$0 | \$0 | \$210,000 |
| 0 | 0 | 0 | 262,573 |
| 0 | 7,822 | 0 | 39,140 |
| 0 | 22,637 | 0 | 44,211 |
| 1,069 | 0 | 0 | 2,398,929 |
| 0 | 0 | 0 | 7,876 |
| 0 | 16,502 | 58,526 | 220,907 |
| 1,069 | 46,961 | 58,526 | 3,183,636 |
| 0 | 0 | 0 | 159,102 |
| 13,700 | 0 | 0 | 533,264 |
| 0 | 64,194 | 58,526 | 634,036 |
| 0 | 0 | 0 | 1,386,023 |
| 0 | 0 | 0 | 125,069 |
| 0 | 11,444 | 0 | 389,628 |
| 0 | 1,000,000 | 0 | 1,230,000 |
| 0 | 112,969 | 0 | 121,840 |
| 13,700 | 1,188,607 | 58,526 | 4,578,962 |
| (12,631) | (1,141,646) | 0 | (1,395,326) |
| 0 | 4,032,000 | 0 | 4,032,000 |
| 0 | 42,980 | 0 | 42,980 |
| 0 | 250,000 | 0 | 421,700 |
| 0 | 0 | 0 | (50,000) |
| 0 | 4,324,980 | 0 | 4,446,680 |
| (12,631) | 3,183,334 | 0 | 3,051,354 |
| 12,631 | (1,128,426) | 0 | 1,632,086 |
| \$0 | \$2,054,908 | \$0 | \$4,683,440 |

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

| | Court Special Projects Fund | General Capital Improvement Fund | Parks and Recreation Improvements Fund |
|---|-----------------------------------|---|---|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$424,604 | \$563,894 | \$311,297 |
| Receivables: | | | |
| Other Local Taxes | 0 | 0 | 23,462 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$424,604</u> | <u>\$563,894</u> | <u>\$334,759</u> |
| Liabilities: | | | |
| Accounts Payable | \$1,107 | \$1,100 | \$11,050 |
| Accrued Wages Payable | 4,021 | 0 | 0 |
| Intergovernmental Payable | 621 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>5,749</u> | <u>1,100</u> | <u>11,050</u> |
| Deferred Inflows of Resources: | | | |
| Revenue in Lieu of Taxes | 0 | 0 | 0 |
| Fund Balances: | | | |
| Restricted | 418,855 | 0 | 0 |
| Committed | 0 | 0 | 323,709 |
| Assigned | 0 | 562,794 | 0 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficits)</i> | <u>418,855</u> | <u>562,794</u> | <u>323,709</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$424,604</u> | <u>\$563,894</u> | <u>\$334,759</u> |

| Building and Land Fund | Tax Increment Financing Fund | Special Assessment Construction Fund | I-675 Corridor TIF Fund | Total Nonmajor Capital Projects Funds |
|------------------------------|---------------------------------------|---|----------------------------------|---|
| \$495,315 | \$525,017 | \$92,909 | \$18,369 | \$2,431,405 |
| 0 | 0 | 0 | 0 | 23,462 |
| 0 | 702,786 | 0 | 0 | 702,786 |
| <u>\$495,315</u> | <u>\$1,227,803</u> | <u>\$92,909</u> | <u>\$18,369</u> | <u>\$3,157,653</u> |
| \$0 | \$0 | \$610 | \$0 | \$13,867 |
| 0 | 0 | 0 | 0 | 4,021 |
| 0 | 0 | 0 | 0 | 621 |
| 3,095 | 0 | 0 | 13,728 | 16,823 |
| 155,852 | 0 | 0 | 2,120,969 | 2,276,821 |
| <u>158,947</u> | <u>0</u> | <u>610</u> | <u>2,134,697</u> | <u>2,312,153</u> |
| <u>0</u> | <u>702,786</u> | <u>0</u> | <u>0</u> | <u>702,786</u> |
| 0 | 525,017 | 92,299 | 0 | 1,036,171 |
| 336,368 | 0 | 0 | 0 | 660,077 |
| 0 | 0 | 0 | 0 | 562,794 |
| 0 | 0 | 0 | (2,116,328) | (2,116,328) |
| <u>336,368</u> | <u>525,017</u> | <u>92,299</u> | <u>(2,116,328)</u> | <u>142,714</u> |
| <u>\$495,315</u> | <u>\$1,227,803</u> | <u>\$92,909</u> | <u>\$18,369</u> | <u>\$3,157,653</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, 2019

| | Court Special Projects Fund | General Capital Improvement Fund | Parks and Recreation Improvements Fund | Building and Land Fund |
|--|--------------------------------------|---|---|------------------------------|
| Revenues: | | | | |
| Other Local Taxes | \$0 | \$0 | \$209,183 | \$0 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Fines, Licenses and Permits | 201,370 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 18,251 | 0 |
| Investment Earnings | 0 | 5,930 | 4,197 | 0 |
| Intergovernmental | 0 | 0 | 49,000 | 0 |
| Other | 0 | 0 | 63,603 | 0 |
| <i>Total Revenues</i> | <u>201,370</u> | <u>5,930</u> | <u>344,234</u> | <u>0</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 156,313 | 3,000 | 0 | 48,779 |
| Leisure Time Activities | 0 | 0 | 18,343 | 0 |
| Capital Outlay | 4,400 | 63,236 | 258,247 | 169,650 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 633,150 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 18,407 |
| <i>Total Expenditures</i> | <u>160,713</u> | <u>66,236</u> | <u>276,590</u> | <u>869,986</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>40,657</u> | <u>(60,306)</u> | <u>67,644</u> | <u>(869,986)</u> |
| Other Financing Sources: | | | | |
| Special Assessment Bonds Issued | 0 | 0 | 0 | 0 |
| Notes Issued | 0 | 0 | 0 | 477,298 |
| Premium on Debt Issued | 0 | 0 | 0 | 4,339 |
| Transfers-In | 0 | 222,774 | 0 | 259,161 |
| <i>Total Other Financing Sources</i> | <u>0</u> | <u>222,774</u> | <u>0</u> | <u>740,798</u> |
| <i>Net Change in Fund Balances</i> | <u>40,657</u> | <u>162,468</u> | <u>67,644</u> | <u>(129,188)</u> |
| <i>Fund Balances (Deficits) at Beginning of Year</i> | <u>378,198</u> | <u>400,326</u> | <u>256,065</u> | <u>465,556</u> |
| <i>Fund Balances (Deficits) at End of Year</i> | <u><u>\$418,855</u></u> | <u><u>\$562,794</u></u> | <u><u>\$323,709</u></u> | <u><u>\$336,368</u></u> |

| Tax Increment Financing Fund | Special Assessment Construction Fund | I-675 Corridor TIF Fund | Total Nonmajor Capital Projects Funds |
|---------------------------------------|---|----------------------------------|---|
| \$0 | \$0 | \$0 | \$209,183 |
| 712,932 | 0 | 15,248 | 728,180 |
| 0 | 0 | 0 | 201,370 |
| 0 | 79,587 | 0 | 97,838 |
| 0 | 1 | 0 | 10,128 |
| 0 | 0 | 0 | 49,000 |
| 0 | 0 | 0 | 63,603 |
| 712,932 | 79,588 | 15,248 | 1,359,302 |
| 2,893 | 12,211 | 6,794 | 229,990 |
| 0 | 0 | 0 | 18,343 |
| 0 | 0 | 0 | 495,533 |
| 427,593 | 0 | 9,220 | 436,813 |
| 90,000 | 0 | 0 | 723,150 |
| 27,788 | 2,895 | 41,892 | 90,982 |
| 548,274 | 15,106 | 57,906 | 1,994,811 |
| 164,658 | 64,482 | (42,658) | (635,509) |
| 0 | 83,799 | 0 | 83,799 |
| 0 | 0 | 0 | 477,298 |
| 0 | 0 | 0 | 4,339 |
| 0 | 0 | 0 | 481,935 |
| 0 | 83,799 | 0 | 1,047,371 |
| 164,658 | 148,281 | (42,658) | 411,862 |
| 360,359 | (55,982) | (2,073,670) | (269,148) |
| \$525,017 | \$92,299 | (\$2,116,328) | \$142,714 |

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.

City of Fairborn, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2019

| | Equipment Fund | Information Technology Fund | Employee Assistance Program Fund | Jefferson Health Plan Fund | Total |
|---|--------------------|-----------------------------------|---|-------------------------------------|-------------------|
| Assets: | | | | | |
| Current Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$300,015 | \$371,384 | \$127,113 | \$876,929 | \$1,675,441 |
| Materials and Supplies Inventory | 66,702 | 0 | 0 | 0 | 66,702 |
| <i>Total Current Assets</i> | <u>366,717</u> | <u>371,384</u> | <u>127,113</u> | <u>876,929</u> | <u>1,742,143</u> |
| Non-current Assets | | | | | |
| Net Pension Asset | 2,897 | 2,170 | 0 | 0 | 5,067 |
| Nondepreciable Capital Assets | 0 | 4,732 | 0 | 0 | 4,732 |
| Depreciable Capital Assets, Net | 56,636 | 235,035 | 0 | 0 | 291,671 |
| <i>Total Non-current Assets</i> | <u>59,533</u> | <u>241,937</u> | <u>0</u> | <u>0</u> | <u>301,470</u> |
| <i>Total Assets</i> | <u>426,250</u> | <u>613,321</u> | <u>127,113</u> | <u>876,929</u> | <u>2,043,613</u> |
| Deferred Outflows of Resources: | | | | | |
| Pension | 235,513 | 176,633 | 0 | 0 | 412,146 |
| OPEB | 36,827 | 27,621 | 0 | 0 | 64,448 |
| <i>Total Deferred Outflows of Resources</i> | <u>272,340</u> | <u>204,254</u> | <u>0</u> | <u>0</u> | <u>476,594</u> |
| Liabilities: | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 62,274 | 16,205 | 0 | 0 | 78,479 |
| Claims Payable | 0 | 0 | 0 | 116,193 | 116,193 |
| Accrued Wages Payable | 10,142 | 8,292 | 0 | 0 | 18,434 |
| Intergovernmental Payable | 2,003 | 1,608 | 0 | 0 | 3,611 |
| Compensated Absences Payable | 29,467 | 18,425 | 0 | 0 | 47,892 |
| <i>Total Current Liabilities</i> | <u>103,886</u> | <u>44,530</u> | <u>0</u> | <u>116,193</u> | <u>264,609</u> |
| Long-Term Liabilities | | | | | |
| Claims Payable | 0 | 0 | 0 | 361,132 | 361,132 |
| Compensated Absences Payable | 7,780 | 2,344 | 0 | 0 | 10,124 |
| Net Pension Liability | 731,348 | 548,505 | 0 | 0 | 1,279,853 |
| Net OPEB Liability | 342,890 | 257,167 | 0 | 0 | 600,057 |
| <i>Total Long-Term Liabilities</i> | <u>1,082,018</u> | <u>808,016</u> | <u>0</u> | <u>361,132</u> | <u>2,251,166</u> |
| <i>Total Liabilities</i> | <u>1,185,904</u> | <u>852,546</u> | <u>0</u> | <u>477,325</u> | <u>2,515,775</u> |
| Deferred Inflows of Resources: | | | | | |
| Pension | 10,786 | 8,089 | 0 | 0 | 18,875 |
| OPEB | 930 | 698 | 0 | 0 | 1,628 |
| <i>Total Deferred Inflows of Resources</i> | <u>11,716</u> | <u>8,787</u> | <u>0</u> | <u>0</u> | <u>20,503</u> |
| Net Position: | | | | | |
| Net Investment in Capital Assets | 56,636 | 239,767 | 0 | 0 | 296,403 |
| Unrestricted (Deficit) | (555,666) | (283,525) | 127,113 | 399,604 | (312,474) |
| <i>Total Net Position (Deficit)</i> | <u>(\$499,030)</u> | <u>(\$43,758)</u> | <u>\$127,113</u> | <u>\$399,604</u> | <u>(\$16,071)</u> |

City of Fairborn, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2019

| | Equipment Fund | Information Technology Fund | Employee Assistance Program Fund | Jefferson Health Plan Fund | Total |
|--|--------------------|-----------------------------------|---|-------------------------------------|-------------------|
| Operating Revenues: | | | | | |
| Charges for Services | \$1,468,816 | \$858,000 | \$0 | \$3,384,361 | \$5,711,177 |
| Other | 486 | 5,109 | 1,172 | 226,764 | 233,531 |
| <i>Total Operating Revenues</i> | <u>1,469,302</u> | <u>863,109</u> | <u>1,172</u> | <u>3,611,125</u> | <u>5,944,708</u> |
| Operating Expenses: | | | | | |
| Personal Services | 736,625 | 533,857 | 1,202 | 0 | 1,271,684 |
| Contractual Services | 18,920 | 237,740 | 7,000 | 826,806 | 1,090,466 |
| Materials and Supplies | 878,838 | 17,767 | 0 | 0 | 896,605 |
| Claims | 0 | 0 | 0 | 2,477,605 | 2,477,605 |
| Depreciation | 7,780 | 54,527 | 0 | 0 | 62,307 |
| <i>Total Operating Expenses</i> | <u>1,642,163</u> | <u>843,891</u> | <u>8,202</u> | <u>3,304,411</u> | <u>5,798,667</u> |
| <i>Operating Income (Loss)</i> | (172,861) | 19,218 | (7,030) | 306,714 | 146,041 |
| Non-Operating Revenues: | | | | | |
| Investment Earnings | 0 | 0 | 2,310 | 18,627 | 20,937 |
| <i>Change in Net Position</i> | (172,861) | 19,218 | (4,720) | 325,341 | 166,978 |
| <i>Net Position (Deficit) at Beginning of Year</i> | <u>(326,169)</u> | <u>(62,976)</u> | <u>131,833</u> | <u>74,263</u> | <u>(183,049)</u> |
| <i>Net Position (Deficit) at End of Year</i> | <u>(\$499,030)</u> | <u>(\$43,758)</u> | <u>\$127,113</u> | <u>\$399,604</u> | <u>(\$16,071)</u> |

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

| | 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 | \$1,468,816 | \$858,000 | \$0 | \$3,384,361 | \$5,711,177 |
| Cash Received From Other Operating Revenues | 486 | 5,109 | 1,172 | 226,764 | 233,531 |
| Cash Payments for Claims | 0 | 0 | 0 | (2,587,379) | (2,587,379) |
| Cash Payments for Employee Services and Benefits | (577,303) | (418,144) | (1,202) | 0 | (996,649) |
| Cash Payments to Suppliers | (799,943) | (244,421) | (7,000) | (826,806) | (1,878,170) |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | 92,056 | 200,544 | (7,030) | 196,940 | 482,510 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Acquisition of Capital Assets | 0 | (105,377) | 0 | 0 | (105,377) |
| Cash Flows from Investing Activities: | | | | | |
| Interest | 0 | 0 | 2,310 | 18,627 | 20,937 |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i> | 92,056 | 95,167 | (4,720) | 215,567 | 398,070 |
| <i>Cash and Cash Equivalents at Beginning of Year</i> | 207,959 | 276,217 | 131,833 | 661,362 | 1,277,371 |
| <i>Cash and Cash Equivalents at End of Year</i> | <u>\$300,015</u> | <u>\$371,384</u> | <u>\$127,113</u> | <u>\$876,929</u> | <u>\$1,675,441</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Operating Income (Loss) | (\$172,861) | \$19,218 | (\$7,030) | \$306,714 | \$146,041 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Depreciation | 7,780 | 54,527 | 0 | 0 | 62,307 |
| Decrease (Increase) in Assets: | | | | | |
| Materials and Supplies Inventory | 54,541 | 0 | 0 | 0 | 54,541 |
| Net Pension Asset | (870) | (652) | 0 | 0 | (1,522) |
| Deferred Outflows of Resources - Pension | 171,592 | 128,695 | 0 | 0 | 300,287 |
| Deferred Outflows of Resources - OPEB | 23,985 | 17,989 | 0 | 0 | 41,974 |
| Increase (Decrease) in Liabilities: | | | | | |
| Accounts Payable | 43,274 | 11,279 | 0 | 0 | 54,553 |
| Claims Payable | 0 | 0 | 0 | (109,774) | (109,774) |
| Contracts Payable | 0 | (193) | 0 | 0 | (193) |
| Accrued Wages Payable | 1,503 | 1,435 | 0 | 0 | 2,938 |
| Intergovernmental Payable | (4,149) | (3,434) | 0 | 0 | (7,583) |
| Compensated Absences Payable | 2,572 | (1,835) | 0 | 0 | 737 |
| Net Pension Liability | (791) | (597) | 0 | 0 | (1,388) |
| Net OPEB Liability | 18,783 | 14,087 | 0 | 0 | 32,870 |
| Deferred Inflows of Resources - Pension | (47,526) | (35,642) | 0 | 0 | (83,168) |
| Deferred Inflows of Resources - OPEB | (5,777) | (4,333) | 0 | 0 | (10,110) |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u>\$92,056</u> | <u>\$200,544</u> | <u>(\$7,030)</u> | <u>\$196,940</u> | <u>\$482,510</u> |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---|
| Revenues: | | | |
| Property Taxes | \$862,524 | \$862,530 | \$6 |
| Other Local Taxes | 651,704 | 629,594 | (22,110) |
| Municipal Income Taxes | 9,229,947 | 9,145,699 | (84,248) |
| Fines, Licenses and Permits | 1,372,810 | 1,385,394 | 12,584 |
| Charges for Services | 3,568,350 | 3,585,817 | 17,467 |
| Investment Earnings | 322,743 | 430,220 | 107,477 |
| Intergovernmental | 1,021,143 | 1,052,349 | 31,206 |
| Special Assessments | 37,986 | 38,576 | 590 |
| Other | 321,580 | 325,873 | 4,293 |
| <i>Total Revenues</i> | <i>17,388,787</i> | <i>17,456,052</i> | <i>67,265</i> |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| City Council | | | |
| Personal Services | 146,128 | 141,963 | 4,165 |
| Contractual Services | 74,174 | 66,755 | 7,419 |
| Materials and Supplies | 6,305 | 5,880 | 425 |
| <i>Total City Council</i> | <i>226,607</i> | <i>214,598</i> | <i>12,009</i> |
| Municipal Court | | | |
| Personal Services | 1,937,756 | 1,909,483 | 28,273 |
| Contractual Services | 272,318 | 270,463 | 1,855 |
| Materials and Supplies | 54,870 | 46,121 | 8,749 |
| <i>Total Municipal Court</i> | <i>2,264,944</i> | <i>2,226,067</i> | <i>38,877</i> |
| City Manager's Office | | | |
| Personal Services | 685,276 | 677,130 | 8,146 |
| Contractual Services | 45,264 | 43,196 | 2,068 |
| Materials and Supplies | 17,780 | 17,262 | 518 |
| <i>Total City Manager's Office</i> | <i>748,320</i> | <i>737,588</i> | <i>10,732</i> |
| Administration and General Accounting | | | |
| Personal Services | 692,991 | 671,254 | 21,737 |
| Contractual Services | 81,076 | 73,963 | 7,113 |
| Materials and Supplies | 9,572 | 9,573 | (1) |
| <i>Total Administration and General Accounting</i> | <i>783,639</i> | <i>754,790</i> | <i>28,849</i> |
| Utilities Accounting | | | |
| Personal Services | 282,059 | 267,776 | 14,283 |
| Contractual Services | 147,529 | 147,378 | 151 |
| Materials and Supplies | 4,695 | 4,674 | 21 |
| <i>Total Utilities Accounting</i> | <i>\$434,283</i> | <i>\$419,828</i> | <i>\$14,455</i> |

(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, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|---|
| City Income Tax Accounting | | | |
| Personal Services | \$132,694 | \$125,217 | \$7,477 |
| Contractual Services | 548,989 | 540,092 | 8,897 |
| Materials and Supplies | 3,244 | 3,244 | 0 |
| <i>Total City Income Tax Accounting</i> | <i>684,927</i> | <i>668,553</i> | <i>16,374</i> |
| Legal Department | | | |
| Personal Services | 253,580 | 230,982 | 22,598 |
| Contractual Services | 52,888 | 37,098 | 15,790 |
| Materials and Supplies | 7,050 | 3,313 | 3,737 |
| <i>Total Legal Department</i> | <i>313,518</i> | <i>271,393</i> | <i>42,125</i> |
| Personnel Department | | | |
| Personal Services | 250,596 | 232,776 | 17,820 |
| Contractual Services | 126,669 | 118,132 | 8,537 |
| Materials and Supplies | 12,046 | 11,796 | 250 |
| <i>Total Personnel Department</i> | <i>389,311</i> | <i>362,704</i> | <i>26,607</i> |
| Engineering and Drafting | | | |
| Personal Services | 524,802 | 518,591 | 6,211 |
| Contractual Services | 32,643 | 25,800 | 6,843 |
| Materials and Supplies | 9,631 | 9,254 | 377 |
| <i>Total Engineering and Drafting</i> | <i>567,076</i> | <i>553,645</i> | <i>13,431</i> |
| Plant Maintenance | | | |
| Personal Services | 539,622 | 535,877 | 3,745 |
| Contractual Services | 253,613 | 253,049 | 564 |
| Materials and Supplies | 148,159 | 142,861 | 5,298 |
| <i>Total Plant Maintenance</i> | <i>941,394</i> | <i>931,787</i> | <i>9,607</i> |
| Contingency | | | |
| Personal Services | 92,901 | 77,644 | 15,257 |
| Contractual Services | 1,299,632 | 1,270,476 | 29,156 |
| Materials and Supplies | 18,242 | 11,480 | 6,762 |
| <i>Total Contingency</i> | <i>1,410,775</i> | <i>1,359,600</i> | <i>51,175</i> |
| <i>Total General Government</i> | <i>8,764,794</i> | <i>8,500,553</i> | <i>264,241</i> |
| Leisure Time Activities | | | |
| Parks and Recreation | | | |
| Personal Services | 259,948 | 245,010 | 14,938 |
| Contractual Services | 120,627 | 120,627 | 0 |
| Materials and Supplies | 51,516 | 50,717 | 799 |
| <i>Total Leisure Time Activities</i> | <i>\$432,091</i> | <i>\$416,354</i> | <i>\$15,737</i> |

(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, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---|
| Community Development | | | |
| Community Development Urban Planner | | | |
| Personal Services | \$473,333 | \$446,939 | \$26,394 |
| Contractual Services | 101,188 | 96,180 | 5,008 |
| Materials and Supplies | 9,150 | 8,860 | 290 |
| <i>Total Community Development Urban Planner</i> | <u>583,671</u> | <u>551,979</u> | <u>31,692</u> |
| Building Inspection and Zoning Enforcement | | | |
| Personal Services | 380,706 | 353,430 | 27,276 |
| Contractual Services | 53,326 | 53,315 | 11 |
| Materials and Supplies | 15,782 | 14,591 | 1,191 |
| <i>Total Building Inspection and Zoning Enforcement</i> | <u>449,814</u> | <u>421,336</u> | <u>28,478</u> |
| Economic Development | | | |
| Personal Services | 176,241 | 173,689 | 2,552 |
| Contractual Services | 211,076 | 204,730 | 6,346 |
| Materials and Supplies | 10,882 | 9,283 | 1,599 |
| <i>Total Economic Development</i> | <u>398,199</u> | <u>387,702</u> | <u>10,497</u> |
| <i>Total Community Development</i> | <u>1,431,684</u> | <u>1,361,017</u> | <u>70,667</u> |
| Capital Outlay | <u>163,538</u> | <u>162,906</u> | <u>632</u> |
| Debt Service: | | | |
| Interest and Fiscal Charges | <u>200,000</u> | <u>155,519</u> | <u>44,481</u> |
| <i>Total Expenditures</i> | <u>10,992,107</u> | <u>10,596,349</u> | <u>395,758</u> |
| <i>Excess of Revenues Over Expenditures</i> | <u>6,396,680</u> | <u>6,859,703</u> | <u>463,023</u> |
| Other Financing Sources (Uses): | | | |
| Special Assessment Bonds Issued | 0 | 3,960 | 3,960 |
| Proceeds from the Sale of Capital Assets | 5,000 | 24,960 | 19,960 |
| Advances-Out | (100,000) | (80,000) | 20,000 |
| Transfers-Out | (7,705,900) | (7,683,335) | 22,565 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(7,800,900)</u> | <u>(7,734,415)</u> | <u>66,485</u> |
| <i>Net Change in Fund Balance</i> | <u>(1,404,220)</u> | <u>(874,712)</u> | <u>529,508</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>7,828,705</u> | <u>7,828,705</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>581,136</u> | <u>581,136</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$7,005,621</u> | <u>\$7,535,129</u> | <u>\$529,508</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---|
| Revenues: | | | |
| Property Taxes | \$2,229,020 | \$2,228,979 | (\$41) |
| Fines, Licenses and Permits | 1,200 | 750 | (450) |
| Charges for Services | 1,238,242 | 1,237,397 | (845) |
| Intergovernmental | 282,819 | 276,224 | (6,595) |
| Other | 59,300 | 60,737 | 1,437 |
| <i>Total Revenues</i> | <u>3,810,581</u> | <u>3,804,087</u> | <u>(6,494)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Fire Administrative Services | | | |
| Personal Services | 308,645 | 302,275 | 6,370 |
| Contractual Services | 571,956 | 563,503 | 8,453 |
| Materials and Supplies | 30,826 | 29,692 | 1,134 |
| <i>Total Fire Administrative Services</i> | <u>911,427</u> | <u>895,470</u> | <u>15,957</u> |
| Fire Life Safety | | | |
| Personal Services | 138,365 | 129,609 | 8,756 |
| Contractual Services | 830 | 830 | 0 |
| Materials and Supplies | 8,405 | 8,405 | 0 |
| <i>Total Fire Life Safety</i> | <u>147,600</u> | <u>138,844</u> | <u>8,756</u> |
| Fire Operations | | | |
| Personal Services | 5,834,712 | 5,829,312 | 5,400 |
| Contractual Services | 145,850 | 131,454 | 14,396 |
| Materials and Supplies | 230,348 | 211,345 | 19,003 |
| <i>Total Fire Operations</i> | <u>6,210,910</u> | <u>6,172,111</u> | <u>38,799</u> |
| Training | | | |
| Personal Services | 134,992 | 133,810 | 1,182 |
| Contractual Services | 7,755 | 7,755 | 0 |
| Materials and Supplies | 6,015 | 6,015 | 0 |
| <i>Total Training</i> | <u>148,762</u> | <u>147,580</u> | <u>1,182</u> |
| <i>Total Public Safety</i> | <u>7,418,699</u> | <u>7,354,005</u> | <u>64,694</u> |
| Capital Outlay | 11,638 | 11,638 | 0 |
| <i>Total Expenditures</i> | <u>7,430,337</u> | <u>7,365,643</u> | <u>64,694</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(3,619,756)</u> | <u>(3,561,556)</u> | <u>58,200</u> |
| Other Financing Sources: | | | |
| Proceeds from the Sale of Capital Assets | 14,000 | 14,072 | 72 |
| Transfers-In | 2,979,700 | 2,979,700 | 0 |
| <i>Total Other Financing Sources</i> | <u>2,993,700</u> | <u>2,993,772</u> | <u>72</u> |
| <i>Net Change in Fund Balance</i> | <u>(626,056)</u> | <u>(567,784)</u> | <u>58,272</u> |
| <i>Fund Balance at Beginning of Year</i> | 652,108 | 652,108 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>128,046</u> | <u>128,046</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$154,098</u> | <u>\$212,370</u> | <u>\$58,272</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|---|
| Revenues: | | | |
| Property Taxes | \$2,228,870 | \$2,228,979 | \$109 |
| Fines, Licenses and Permits | 1,063 | 1,480 | 417 |
| Charges for Services | 63,185 | 74,847 | 11,662 |
| Intergovernmental | 582,201 | 591,407 | 9,206 |
| Other | 75,852 | 75,129 | (723) |
| <i>Total Revenues</i> | <i>2,951,171</i> | <i>2,971,842</i> | <i>20,671</i> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Police Administrative Services | | | |
| Personal Services | 1,031,447 | 990,328 | 41,119 |
| Contractual Services | 490,797 | 479,715 | 11,082 |
| Materials and Supplies | 42,184 | 41,563 | 621 |
| <i>Total Police Administrative Services</i> | <i>1,564,428</i> | <i>1,511,606</i> | <i>52,822</i> |
| Police Dispatch | | | |
| Personal Services | 847,201 | 841,922 | 5,279 |
| Contractual Services | 75,469 | 70,385 | 5,084 |
| <i>Total Police Dispatch</i> | <i>922,670</i> | <i>912,307</i> | <i>10,363</i> |
| Police Detective Section | | | |
| Personal Services | 885,621 | 883,737 | 1,884 |
| Contractual Services | 10,971 | 9,453 | 1,518 |
| Materials and Supplies | 22,705 | 20,589 | 2,116 |
| <i>Total Police Detective Section</i> | <i>919,297</i> | <i>913,779</i> | <i>5,518</i> |
| Police Patrol Section | | | |
| Personal Services | 3,656,481 | 3,647,778 | 8,703 |
| Contractual Services | 15,800 | 15,776 | 24 |
| Materials and Supplies | 120,651 | 115,421 | 5,230 |
| <i>Total Police Patrol Section</i> | <i>3,792,932</i> | <i>3,778,975</i> | <i>13,957</i> |
| D.A.R.E. | | | |
| Personal Services | 345,060 | 332,090 | 12,970 |
| Contractual Services | 120 | 120 | 0 |
| <i>Total D.A.R.E.</i> | <i>345,180</i> | <i>332,210</i> | <i>12,970</i> |
| Violence Against Women Act | | | |
| Personal Services | 80,044 | 80,017 | 27 |
| Contractual Services | 279 | 279 | 0 |
| <i>Total Violence Against Women Act</i> | <i>80,323</i> | <i>80,296</i> | <i>27</i> |
| <i>Total Public Safety</i> | <i>\$7,624,830</i> | <i>\$7,529,173</i> | <i>\$95,657</i> |

(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, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|-------------------------|---|
| Capital Outlay | \$6,730 | \$6,730 | \$0 |
| <i>Total Expenditures</i> | <u>7,631,560</u> | <u>7,535,903</u> | <u>95,657</u> |
| <i>Excess of Revenues Under Expenditures</i> | (4,680,389) | (4,564,061) | 116,328 |
| Other Financing Sources: | | | |
| Transfers-In | <u>3,850,000</u> | <u>3,850,000</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (830,389) | (714,061) | 116,328 |
| <i>Fund Balance at Beginning of Year</i> | 807,381 | 807,381 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>51,086</u> | <u>51,086</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$28,078</u></u> | <u><u>\$144,406</u></u> | <u><u>\$116,328</u></u> |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|---|
| Revenues: | | | |
| Municipal Income Taxes | \$2,066,375 | \$2,076,375 | \$10,000 |
| Fines, Licenses and Permits | 50,000 | 31,833 | (18,167) |
| Investment Earnings | 39,000 | 56,863 | 17,863 |
| Intergovernmental | 1,952,991 | 2,112,779 | 159,788 |
| Other | 31,500 | 31,537 | 37 |
| <i>Total Revenues</i> | <u>4,139,866</u> | <u>4,309,387</u> | <u>169,521</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | | | |
| Administration | | | |
| Contractual Services | 163,201 | 154,991 | 8,210 |
| Sterling Court Improvements | | | |
| Contractual Services | 3,545 | 3,545 | 0 |
| Maple Ave Phase II | | | |
| Contractual Services | 300,000 | 290,847 | 9,153 |
| Colonel Glenn Highway Phase I Enhancements | | | |
| Contractual Services | 195,642 | 191,166 | 4,476 |
| Colonel Glenn Highway/Kauffman Avenue | | | |
| Contractual Services | 111,803 | 111,803 | 0 |
| Broad Street Improvements/Sandhill-Spangler | | | |
| Contractual Services | 172,817 | 170,817 | 2,000 |
| Maple Avenue Phase I | | | |
| Contractual Services | 187,303 | 187,303 | 0 |
| Kauffman Avenue Widening Design | | | |
| Contractual Services | 30,599 | 30,599 | 0 |
| Development Inspection Services | | | |
| Contractual Services | 57,590 | 42,431 | 15,159 |
| Central Avenue Design | | | |
| Contractual Services | 239,212 | 239,212 | 0 |
| Xenia Drive Improvements | | | |
| Contractual Services | 35,876 | 35,876 | 0 |
| Yellow Springs Fairfield Road | | | |
| Contractual Services | \$148,443 | \$148,443 | \$0 |

(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, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-------------|---|
| Ali Area Roadway Contractual Services | \$21,543 | \$21,543 | \$0 |
| <i>Total Transportation and Street Repair</i> | 1,667,574 | 1,628,576 | 38,998 |
| Capital Outlay | 4,493,657 | 4,460,738 | 32,919 |
| Debt Service: | | | |
| Principal Retirement | 11,209 | 11,209 | 0 |
| <i>Total Expenditures</i> | 6,172,440 | 6,100,523 | 71,917 |
| <i>Net Change in Fund Balance</i> | (2,032,574) | (1,791,136) | 241,438 |
| <i>Fund Balance at Beginning of Year</i> | 1,573,758 | 1,573,758 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 1,024,771 | 1,024,771 | 0 |
| <i>Fund Balance at End of Year</i> | \$565,955 | \$807,393 | \$241,438 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---|
| Revenues: | | | |
| Municipal Income Taxes | \$2,276,175 | \$2,286,374 | \$10,199 |
| Intergovernmental | 3,690 | 3,690 | 0 |
| Contributions and Donations | 4,000 | 6,567 | 2,567 |
| Other | 34,900 | 35,001 | 101 |
| <i>Total Revenues</i> | <i>2,318,765</i> | <i>2,331,632</i> | <i>12,867</i> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Police Patrol | | | |
| Personal Services | 543,570 | 514,461 | 29,109 |
| Contractual Services | 95,969 | 93,403 | 2,566 |
| Materials and Supplies | 15,208 | 14,310 | 898 |
| <i>Total Police Patrol</i> | <i>654,747</i> | <i>622,174</i> | <i>32,573</i> |
| Fire Operations | | | |
| Personal Services | 590,341 | 577,143 | 13,198 |
| Contractual Services | 93,012 | 90,447 | 2,565 |
| Materials and Supplies | 209,239 | 209,238 | 1 |
| <i>Total Fire Operations</i> | <i>892,592</i> | <i>876,828</i> | <i>15,764</i> |
| <i>Total Public Safety</i> | <i>1,547,339</i> | <i>1,499,002</i> | <i>48,337</i> |
| Capital Outlay | 992,392 | 980,125 | 12,267 |
| Debt Service: | | | |
| Principal Retirement | 2,148,075 | 2,148,075 | 0 |
| Interest and Fiscal Charges | 57,095 | 51,721 | 5,374 |
| <i>Total Debt Service</i> | <i>2,205,170</i> | <i>2,199,796</i> | <i>5,374</i> |
| <i>Total Expenditures</i> | <i>4,744,901</i> | <i>4,678,923</i> | <i>65,978</i> |
| <i>Excess of Revenues Under Expenditures</i> | <i>(2,426,136)</i> | <i>(2,347,291)</i> | <i>78,845</i> |
| Other Financing Sources: | | | |
| Notes Issued | 2,138,075 | 2,138,075 | 0 |
| Premium on Debt Issued | 14,640 | 14,644 | 4 |
| <i>Total Other Financing Sources</i> | <i>2,152,715</i> | <i>2,152,719</i> | <i>4</i> |
| <i>Net Change in Fund Balance</i> | <i>(273,421)</i> | <i>(194,572)</i> | <i>78,849</i> |
| <i>Fund Balance at Beginning of Year</i> | <i>53,875</i> | <i>53,875</i> | <i>0</i> |
| <i>Prior Year Encumbrances Appropriated</i> | <i>694,130</i> | <i>694,130</i> | <i>0</i> |
| <i>Fund Balance at End of Year</i> | <i>\$474,584</i> | <i>\$553,433</i> | <i>\$78,849</i> |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------------|---------------------------|---|
| Revenues: | | | |
| Charges for Services | \$4,047,155 | \$4,041,846 | (\$5,309) |
| Tap-In Fees | 87,930 | 94,650 | 6,720 |
| Investment Earnings | 10,000 | 24,291 | 14,291 |
| Notes Issued | 3,005,825 | 2,975,825 | (30,000) |
| Premium on Debt Issued | 20,382 | 20,382 | 0 |
| Other | 121,500 | 174,083 | 52,583 |
| <i>Total Revenues</i> | <u>7,292,792</u> | <u>7,331,077</u> | <u>38,285</u> |
| Expenses: | | | |
| Personal Services | 1,433,661 | 1,387,433 | 46,228 |
| Contractual Services | 2,132,826 | 2,091,542 | 41,284 |
| Materials and Supplies | 280,162 | 272,534 | 7,628 |
| Capital Outlay | 2,262,814 | 2,145,556 | 117,258 |
| Debt Service: | | | |
| Principal Retirement | 3,221,875 | 3,221,875 | 0 |
| Interest and Fiscal Charges | 149,751 | 149,451 | 300 |
| <i>Total Expenses</i> | <u>9,481,089</u> | <u>9,268,391</u> | <u>212,698</u> |
| <i>Net Change in Fund Equity</i> | <u>(2,188,297)</u> | <u>(1,937,314)</u> | <u>250,983</u> |
| <i>Fund Equity at Beginning of Year</i> | <u>3,083,535</u> | <u>3,083,535</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>943,591</u> | <u>943,591</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$1,838,829</u></u> | <u><u>\$2,089,812</u></u> | <u><u>\$250,983</u></u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------------|---------------------------|---|
| Revenues: | | | |
| Charges for Services | \$6,361,063 | \$6,272,249 | (\$88,814) |
| Tap-In Fees | 80,000 | 85,850 | 5,850 |
| Investment Earnings | 28,000 | 37,243 | 9,243 |
| Notes Issued | 3,835,025 | 3,835,025 | 0 |
| Premium on Debt Issued | 26,275 | 26,275 | 0 |
| Other | 31,000 | 53,709 | 22,709 |
| <i>Total Revenues</i> | <u>10,361,363</u> | <u>10,310,351</u> | <u>(51,012)</u> |
| Expenses: | | | |
| Personal Services | 1,504,745 | 1,462,875 | 41,870 |
| Contractual Services | 2,919,376 | 2,823,871 | 95,505 |
| Materials and Supplies | 374,265 | 357,579 | 16,686 |
| Capital Outlay | 2,523,082 | 2,362,473 | 160,609 |
| Debt Service: | | | |
| Principal Retirement | 4,192,875 | 4,192,875 | 0 |
| Interest and Fiscal Charges | 439,860 | 439,860 | 0 |
| <i>Total Expenses</i> | <u>11,954,203</u> | <u>11,639,533</u> | <u>314,670</u> |
| <i>Net Change in Fund Equity</i> | (1,592,840) | (1,329,182) | 263,658 |
| <i>Fund Equity at Beginning of Year</i> | 5,717,375 | 5,717,375 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>2,513,756</u> | <u>2,513,756</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$6,638,291</u></u> | <u><u>\$6,901,949</u></u> | <u><u>\$263,658</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Charges for Services | \$3,126,732 | \$3,201,711 | \$74,979 |
| Notes Issued | 8,025 | 8,025 | 0 |
| Premium on Debt Issued | 500 | 54 | (446) |
| Other | 0 | 670 | 670 |
| <i>Total Revenues</i> | <u>3,135,257</u> | <u>3,210,460</u> | <u>75,203</u> |
| Expenses: | | | |
| Personal Services | 184,197 | 179,671 | 4,526 |
| Contractual Services | 3,454,712 | 3,433,983 | 20,729 |
| Materials and Supplies | 15,213 | 9,675 | 5,538 |
| Capital Outlay | 18,045 | 16,545 | 1,500 |
| Debt Service: | | | |
| Principal Retirement | 8,025 | 8,025 | 0 |
| Interest and Fiscal Charges | 430 | 190 | 240 |
| <i>Total Expenses</i> | <u>3,680,622</u> | <u>3,648,089</u> | <u>32,533</u> |
| <i>Net Change in Fund Equity</i> | <u>(545,365)</u> | <u>(437,629)</u> | <u>107,736</u> |
| <i>Fund Equity at Beginning of Year</i> | <u>610,452</u> | <u>610,452</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>366,368</u> | <u>366,368</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$431,455</u></u> | <u><u>\$539,191</u></u> | <u><u>\$107,736</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Municipal Income Taxes | \$210,000 | \$210,000 | \$0 |
| Investment Earnings | 12,600 | 17,826 | 5,226 |
| Intergovernmental | 1,366,000 | 1,415,175 | 49,175 |
| Other | 110,700 | 112,340 | 1,640 |
| <i>Total Revenues</i> | <u>1,699,300</u> | <u>1,755,341</u> | <u>56,041</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | | | |
| General Street Administration | | | |
| Personal Services | 94,751 | 88,305 | 6,446 |
| Contractual Services | 124,958 | 123,439 | 1,519 |
| Materials and Supplies | 2,300 | 2,027 | 273 |
| <i>Total General Street Administration</i> | <u>222,009</u> | <u>213,771</u> | <u>8,238</u> |
| Maintenance and Repairs | | | |
| Personal Services | 583,861 | 563,400 | 20,461 |
| Contractual Services | 6,525 | 6,523 | 2 |
| Materials and Supplies | 314,631 | 297,518 | 17,113 |
| <i>Total Maintenance and Repairs</i> | <u>905,017</u> | <u>867,441</u> | <u>37,576</u> |
| Traffic Signs and Signals | | | |
| Personal Services | 247,245 | 229,882 | 17,363 |
| Contractual Services | 35,216 | 35,216 | 0 |
| Materials and Supplies | 46,500 | 44,605 | 1,895 |
| <i>Total Traffic Signs and Signals</i> | <u>328,961</u> | <u>309,703</u> | <u>19,258</u> |
| <i>Total Transportation and Street Repair</i> | <u>1,455,987</u> | <u>1,390,915</u> | <u>65,072</u> |
| Capital Outlay | 431,950 | 429,168 | 2,782 |
| Debt Service: | | | |
| Principal Retirement | 250,000 | 250,000 | 0 |
| Interest and Fiscal Charges | 6,606 | 5,982 | 624 |
| <i>Total Debt Service</i> | <u>256,606</u> | <u>255,982</u> | <u>624</u> |
| <i>Total Expenditures</i> | <u>2,144,543</u> | <u>2,076,065</u> | <u>68,478</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(445,243)</u> | <u>(320,724)</u> | <u>124,519</u> |
| Other Financing Sources (Uses): | | | |
| Notes Issued | 230,000 | 230,000 | 0 |
| Premium on Debt Issued | 2,000 | 1,574 | (426) |
| Transfers Out | (50,000) | (50,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>182,000</u> | <u>181,574</u> | <u>(426)</u> |
| <i>Net Change in Fund Balance</i> | <u>(263,243)</u> | <u>(139,150)</u> | <u>124,093</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>741,438</u> | <u>741,438</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>271,284</u> | <u>271,284</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$749,479</u></u> | <u><u>\$873,572</u></u> | <u><u>\$124,093</u></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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Investment Earnings | \$2,500 | \$3,505 | \$1,005 |
| Intergovernmental | 111,800 | 114,744 | 2,944 |
| Other | 0 | 698 | 698 |
| <i>Total Revenues</i> | <u>114,300</u> | <u>118,947</u> | <u>4,647</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation and Street Repair | | | |
| State Highway Maintenance | | | |
| Personal Services | 85,662 | 83,605 | 2,057 |
| Contractual Services | 3,455 | 3,112 | 343 |
| Materials and Supplies | 24,853 | 21,952 | 2,901 |
| <i>Total Transportation and Street Repair</i> | <u>113,970</u> | <u>108,669</u> | <u>5,301</u> |
| Capital Outlay | <u>2,152</u> | <u>2,152</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>116,122</u> | <u>110,821</u> | <u>5,301</u> |
| <i>Net Change in Fund Balance</i> | (1,822) | 8,126 | 9,948 |
| <i>Fund Balance at Beginning of Year</i> | 184,038 | 184,038 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>6,316</u> | <u>6,316</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$188,532</u></u> | <u><u>\$198,480</u></u> | <u><u>\$9,948</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---|
| Revenues: | | | |
| Charges for Services | \$30,100 | \$31,318 | \$1,218 |
| Other | 50 | 846 | 796 |
| <i>Total Revenues</i> | <u>30,150</u> | <u>32,164</u> | <u>2,014</u> |
| Expenditures: | | | |
| Current: | | | |
| Public Health and Welfare | | | |
| Cemetery Operations | | | |
| Personal Services | 91,169 | 90,203 | 966 |
| Contractual Services | 26,574 | 26,377 | 197 |
| Materials and Supplies | 18,456 | 16,878 | 1,578 |
| <i>Total Public Health and Welfare</i> | <u>136,199</u> | <u>133,458</u> | <u>2,741</u> |
| Capital Outlay | 1,823 | 1,823 | 0 |
| <i>Total Expenditures</i> | <u>138,022</u> | <u>135,281</u> | <u>2,741</u> |
| <i>Excess of Revenues Under Expenditures</i> | (107,872) | (103,117) | 4,755 |
| Other Financing Sources: | | | |
| Transfers-In | 80,000 | 80,000 | 0 |
| <i>Net Change in Fund Balance</i> | (27,872) | (23,117) | 4,755 |
| <i>Fund Balance at Beginning of Year</i> | 62,365 | 62,365 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>11,896</u> | <u>11,896</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$46,389</u></u> | <u><u>\$51,144</u></u> | <u><u>\$4,755</u></u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|----------|---|
| Revenues: | \$0 | \$0 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Neighborhood Stabilization Program | | | |
| Contractual Services | 4,000 | 0 | 4,000 |
| <i>Net Change in Fund Balance</i> | (4,000) | 0 | 4,000 |
| <i>Fund Balance at Beginning of Year</i> | 10,252 | 10,252 | 0 |
| <i>Fund Balance at End of Year</i> | \$6,252 | \$10,252 | \$4,000 |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Block Grant Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$535,817 | \$456,487 | (\$79,330) |
| Other | 2,600 | 1,208 | (1,392) |
| <i>Total Revenues</i> | <u>538,417</u> | <u>457,695</u> | <u>(80,722)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Entitlement Administration | | | |
| Personal Services | 48,866 | 27,494 | 21,372 |
| Contractual Services | 78,039 | 78,037 | 2 |
| Materials and Supplies | 2,780 | 10 | 2,770 |
| <i>Total Entitlement Administration</i> | <u>129,685</u> | <u>105,541</u> | <u>24,144</u> |
| Neighborhood Betterment | | | |
| Contractual Services | 18,677 | 18,677 | 0 |
| Code Enforcement | | | |
| Personal Services | 88,029 | 77,167 | 10,862 |
| Contractual Services | 1,876 | 1,876 | 0 |
| Materials and Supplies | 2,335 | 1,963 | 372 |
| <i>Total Code Enforcement</i> | <u>92,240</u> | <u>81,006</u> | <u>11,234</u> |
| Entitlement Fair Housing | | | |
| Personal Services | 2,716 | 2,716 | 0 |
| Contractual Services | 23,790 | 13,790 | 10,000 |
| Materials and Supplies | 462 | 462 | 0 |
| <i>Total Entitlement Fair Housing</i> | <u>26,968</u> | <u>16,968</u> | <u>10,000</u> |
| Economic Development | | | |
| Contractual Services | 85,218 | 85,215 | 3 |
| Community Development Home Repair | | | |
| Personal Services | 24,705 | 19,075 | 5,630 |
| Contractual Services | 98,933 | 24,365 | 74,568 |
| <i>Total Community Development Home Repair</i> | <u>123,638</u> | <u>43,440</u> | <u>80,198</u> |
| <i>Total Community Development</i> | <u>476,426</u> | <u>350,847</u> | <u>125,579</u> |
| Capital Outlay | 3,155 | 3,155 | 0 |
| <i>Total Expenditures</i> | <u>479,581</u> | <u>354,002</u> | <u>125,579</u> |
| <i>Excess of Revenues Over Expenditures</i> | <u>\$58,836</u> | <u>\$103,693</u> | <u>\$44,857</u> |

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Block Grant Fund
For the Year Ended December 31, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Other Financing Sources (Uses): | | | |
| Advances-In | \$100,000 | \$30,000 | (\$70,000) |
| Advances-Out | (3) | 0 | 3 |
| <i>Total Other Financing Sources (Uses)</i> | <u>99,997</u> | <u>30,000</u> | <u>(69,997)</u> |
| <i>Net Change in Fund Balance</i> | 158,833 | 133,693 | (25,140) |
| <i>Fund Balance at Beginning of Year</i> | 101,841 | 101,841 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>55,427</u> | <u>55,427</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$316,101</u></u> | <u><u>\$290,961</u></u> | <u><u>(\$25,140)</u></u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Witness Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$145,177 | \$142,812 | (\$2,365) |
| Other | 0 | 2,338 | 2,338 |
| <i>Total Revenues</i> | <u>145,177</u> | <u>145,150</u> | <u>(27)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Administration | | | |
| Personal Services | 234,546 | 228,418 | 6,128 |
| Contractual Services | 12,346 | 12,234 | 112 |
| Materials and Supplies | 3,002 | 2,987 | 15 |
| <i>Total Administration</i> | <u>249,894</u> | <u>243,639</u> | <u>6,255</u> |
| State Victims Assistance Act | | | |
| Contractual Services | 1,789 | 1,789 | 0 |
| Materials and Supplies | 500 | 500 | 0 |
| <i>Total State Victims Assistance Act</i> | <u>2,289</u> | <u>2,289</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>252,183</u> | <u>245,928</u> | <u>6,255</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(107,006)</u> | <u>(100,778)</u> | <u>6,228</u> |
| Other Financing Sources: | | | |
| Transfers-In | 91,700 | 91,700 | 0 |
| <i>Net Change in Fund Balance</i> | <u>(15,306)</u> | <u>(9,078)</u> | <u>6,228</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>34,580</u> | <u>34,580</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>803</u> | <u>803</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$20,077</u> | <u>\$26,305</u> | <u>\$6,228</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------------|---|
| Revenues: | | | |
| Intergovernmental | \$305,200 | \$175,801 | (\$129,399) |
| Other | 5,268 | 5,305 | 37 |
| <i>Total Revenues</i> | <u>310,468</u> | <u>181,106</u> | <u>(129,362)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Neighborhood Betterment | | | |
| Personal Services | 16,176 | 4,218 | 11,958 |
| Contractual Services | 208,024 | 207,534 | 490 |
| <i>Total Expenditures</i> | <u>224,200</u> | <u>211,752</u> | <u>12,448</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 86,268 | (30,646) | (116,914) |
| Other Financing Sources: | | | |
| Advances-In | 50,000 | 50,000 | 0 |
| <i>Net Change in Fund Balance</i> | 136,268 | 19,354 | (116,914) |
| <i>Fund Balance at Beginning of Year</i> | <u>65,291</u> | <u>65,291</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$201,559</u></u> | <u><u>\$84,645</u></u> | <u><u>(\$116,914)</u></u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Justice Reinvestment and Incentive Grant Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|----------|---|
| Revenues: | | | |
| Investment Earnings | \$300 | (\$464) | (\$764) |
| Intergovernmental | 77,109 | 77,109 | 0 |
| <i>Total Revenues</i> | 77,409 | 76,645 | (764) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Justice Reinvestment Grant | | | |
| Personal Services | 62,780 | 61,547 | 1,233 |
| Contractual Services | 8,180 | 8,180 | 0 |
| Materials and Supplies | 19,950 | 19,950 | 0 |
| <i>Total Expenditures</i> | 90,910 | 89,677 | 1,233 |
| <i>Net Change in Fund Balance</i> | (13,501) | (13,032) | 469 |
| <i>Fund Balance at Beginning of Year</i> | 35,350 | 35,350 | 0 |
| <i>Fund Balance at End of Year</i> | \$21,849 | \$22,318 | \$469 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------------|------------------------|---|
| Revenues: | | | |
| Intergovernmental | \$1,888 | \$1,888 | \$0 |
| Contributions and Donations | 8,900 | 7,876 | (1,024) |
| Other | 21,500 | 20,145 | (1,355) |
| <i>Total Revenues</i> | <u>32,288</u> | <u>29,909</u> | <u>(2,379)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| DARE Program | | | |
| Contractual Services | 4,020 | 4,020 | 0 |
| Materials and Supplies | 2,980 | 2,866 | 114 |
| <i>Total DARE Program</i> | <u>7,000</u> | <u>6,886</u> | <u>114</u> |
| Safety City Program | | | |
| Personal Services | 2,431 | 2,423 | 8 |
| Contractual Services | 6,940 | 6,940 | 0 |
| Materials and Supplies | 6,550 | 6,141 | 409 |
| <i>Total Safety City Program</i> | <u>15,921</u> | <u>15,504</u> | <u>417</u> |
| <i>Total Public Safety</i> | <u>22,921</u> | <u>22,390</u> | <u>531</u> |
| Capital Outlay | 15,000 | 14,000 | 1,000 |
| <i>Total Expenditures</i> | <u>37,921</u> | <u>36,390</u> | <u>1,531</u> |
| <i>Net Change in Fund Balance</i> | (5,633) | (6,481) | (848) |
| <i>Fund Balance at Beginning of Year</i> | 39,653 | 39,653 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>5,267</u> | <u>5,267</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$39,287</u></u> | <u><u>\$38,439</u></u> | <u><u>(\$848)</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|---------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$3,200 | \$1,742 | (\$1,458) |
| Expenditures: | | | |
| Capital Outlay | 6,000 | 6,000 | 0 |
| <i>Net Change in Fund Balance</i> | (2,800) | (4,258) | (1,458) |
| <i>Fund Balance at Beginning of Year</i> | 10,236 | 10,236 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 6 | 6 | 0 |
| <i>Fund Balance at End of Year</i> | \$7,442 | \$5,984 | (\$1,458) |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$39,500 | \$40,036 | \$536 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Contractual Services | 102,580 | 85,706 | 16,874 |
| <i>Net Change in Fund Balance</i> | (63,080) | (45,670) | 17,410 |
| <i>Fund Balance at Beginning of Year</i> | 235,558 | 235,558 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 2,137 | 2,137 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$174,615</u> | <u>\$192,025</u> | <u>\$17,410</u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Alcohol Enforcement and Education Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|---------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$2,500 | \$1,484 | (\$1,016) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Materials and Supplies | 1,900 | 1,897 | 3 |
| Capital Outlay | 2,000 | 1,754 | 246 |
| <i>Total Expenditures</i> | 3,900 | 3,651 | 249 |
| <i>Net Change in Fund Balance</i> | (1,400) | (2,167) | (767) |
| <i>Fund Balance at Beginning of Year</i> | 5,713 | 5,713 | 0 |
| <i>Fund Balance at End of Year</i> | \$4,313 | \$3,546 | (\$767) |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------------|------------------------|---|
| Revenues: | | | |
| Investment Earnings | \$1,000 | \$707 | (\$293) |
| Intergovernmental | 9,712 | 3,482 | (6,230) |
| Other | 2,800 | 2,999 | 199 |
| <i>Total Revenues</i> | <u>13,512</u> | <u>7,188</u> | <u>(6,324)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Contractual Services | 4,300 | 4,270 | 30 |
| Materials and Supplies | 16,405 | 16,404 | 1 |
| <i>Total Public Safety</i> | <u>20,705</u> | <u>20,674</u> | <u>31</u> |
| Capital Outlay | 1,600 | 1,547 | 53 |
| <i>Total Expenditures</i> | <u>22,305</u> | <u>22,221</u> | <u>84</u> |
| <i>Net Change in Fund Balance</i> | (8,793) | (15,033) | (6,240) |
| <i>Fund Balance at Beginning of Year</i> | 40,195 | 40,195 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>4,322</u> | <u>4,322</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$35,724</u></u> | <u><u>\$29,484</u></u> | <u><u>(\$6,240)</u></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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$80,000 | \$77,514 | (\$2,486) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Personal Services | 88,399 | 87,483 | 916 |
| Contractual Services | 4,035 | 4,030 | 5 |
| <i>Total Expenditures</i> | 92,434 | 91,513 | 921 |
| <i>Net Change in Fund Balance</i> | (12,434) | (13,999) | (1,565) |
| <i>Fund Balance at Beginning of Year</i> | 162,423 | 162,423 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 2,308 | 2,308 | 0 |
| <i>Fund Balance at End of Year</i> | \$152,297 | \$150,732 | (\$1,565) |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$13,000 | \$13,601 | \$601 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Personal Services | 13,701 | 0 | 13,701 |
| <i>Net Change in Fund Balance</i> | (701) | 13,601 | 14,302 |
| <i>Fund Balance at Beginning of Year</i> | 922 | 922 | 0 |
| <i>Fund Balance at End of Year</i> | \$221 | \$14,523 | \$14,302 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$16,900 | \$16,660 | (\$240) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Municipal Court | | | |
| Contractual Services | 25,500 | 25,500 | 0 |
| Capital Outlay | 34,715 | 29,716 | 4,999 |
| <i>Total Expenditures</i> | 60,215 | 55,216 | 4,999 |
| <i>Net Change in Fund Balance</i> | (43,315) | (38,556) | 4,759 |
| <i>Fund Balance at Beginning of Year</i> | 41,425 | 41,425 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 39,971 | 39,971 | 0 |
| <i>Fund Balance at End of Year</i> | \$38,081 | \$42,840 | \$4,759 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$89,700 | \$90,030 | \$330 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Municipal Court | | | |
| Personal Services | 5,508 | 5,477 | 31 |
| Contractual Services | 164,940 | 164,640 | 300 |
| Materials and Supplies | 5,000 | 4,950 | 50 |
| <i>Total General Government</i> | 175,448 | 175,067 | 381 |
| Capital Outlay | 31,300 | 31,199 | 101 |
| <i>Total Expenditures</i> | 206,748 | 206,266 | 482 |
| <i>Net Change in Fund Balance</i> | (117,048) | (116,236) | 812 |
| <i>Fund Balance at Beginning of Year</i> | 271,457 | 271,457 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 62,716 | 62,716 | 0 |
| <i>Fund Balance at End of Year</i> | \$217,125 | \$217,937 | \$812 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$21,000 | \$21,045 | \$45 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Law Enforcement | | | |
| Contractual Services | 75,515 | 51,630 | 23,885 |
| <i>Net Change in Fund Balance</i> | (54,515) | (30,585) | 23,930 |
| <i>Fund Balance at Beginning of Year</i> | 57,811 | 57,811 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 35,929 | 35,929 | 0 |
| <i>Fund Balance at End of Year</i> | \$39,225 | \$63,155 | \$23,930 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues: | \$0 | \$0 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Contractual Services | 25,000 | 25,000 | 0 |
| <i>Net Change in Fund Balance</i> | (25,000) | (25,000) | 0 |
| <i>Fund Balance at Beginning of Year</i> | 22,975 | 22,975 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 14,000 | 14,000 | 0 |
| <i>Fund Balance at End of Year</i> | \$11,975 | \$11,975 | \$0 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|----------|---|
| Revenues: | | | |
| Intergovernmental | \$13,700 | \$13,700 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | | | |
| Fire Operations | | | |
| Personal Services | 13,700 | 13,700 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance at Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$0 |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Redevelopment Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|---|
| Revenues: | | | |
| Charges for Services | \$30,000 | \$7,822 | (\$22,178) |
| Investment Earnings | 0 | 22,637 | 22,637 |
| Other | 0 | 16,502 | 16,502 |
| <i>Total Revenues</i> | <u>30,000</u> | <u>46,961</u> | <u>16,961</u> |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Neighborhood Betterment | | | |
| Contractual Services | 71,881 | 67,328 | 4,553 |
| Family Video Project | | | |
| Contractual Services | 32,000 | 31,756 | 244 |
| Broad Street Corridor | | | |
| Contractual Services | 26,460 | 26,460 | 0 |
| Tangible Solutions | | | |
| Contractual Services | 2,840 | 2,750 | 90 |
| 2017 Redevelopment Phase II | | | |
| Contractual Services | 6,800 | 6,750 | 50 |
| Third & Main Improvements | | | |
| Contractual Services | 73,838 | 73,576 | 262 |
| <i>Total Community Development</i> | <u>213,819</u> | <u>208,620</u> | <u>5,199</u> |
| Capital Outlay | 250,001 | 239,439 | 10,562 |
| Debt Service: | | | |
| Principal Retirement | 4,595,000 | 4,595,000 | 0 |
| Interest and Fiscal Charges | 190,734 | 187,270 | 3,464 |
| <i>Total Debt Service</i> | <u>4,785,734</u> | <u>4,782,270</u> | <u>3,464</u> |
| <i>Total Expenditures</i> | <u>5,249,554</u> | <u>5,230,329</u> | <u>19,225</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(\$5,219,554)</u> | <u>(\$5,183,368)</u> | <u>\$36,186</u> |

(continued)

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, 2019
(Continued)

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-------------|---|
| Other Financing Sources: | | | |
| Notes Issued | \$4,618,984 | \$4,619,000 | \$16 |
| Premium on Debt Issued | 49,400 | 46,484 | (2,916) |
| Transfers-In | 250,000 | 250,000 | 0 |
| <i>Total Other Financing Sources</i> | 4,918,384 | 4,915,484 | (2,900) |
| <i>Net Change in Fund Balance</i> | (301,170) | (267,884) | 33,286 |
| <i>Fund Balance at Beginning of Year</i> | 253,762 | 253,762 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 103,881 | 103,881 | 0 |
| <i>Fund Balance at End of Year</i> | \$56,473 | \$89,759 | \$33,286 |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Loss Escrow Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|----------|---|
| Revenues: | | | |
| Other | \$58,526 | \$58,526 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| Community Development | | | |
| Fire Loss Escrow | | | |
| Contractual Services | 56,237 | 56,237 | 0 |
| <i>Net Change in Fund Balance</i> | 2,289 | 2,289 | 0 |
| <i>Fund Balance at Beginning of Year</i> | 11,211 | 11,211 | 0 |
| <i>Fund Balance at End of Year</i> | \$13,500 | \$13,500 | \$0 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues: | | | |
| Other | \$60,000 | \$78,999 | \$18,999 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Uninsured Loss | | | |
| Contractual Services | 107,457 | 105,714 | 1,743 |
| <i>Net Change in Fund Balance</i> | (47,457) | (26,715) | 20,742 |
| <i>Fund Balance at Beginning of Year</i> | 46,843 | 46,843 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 3,509 | 3,509 | 0 |
| <i>Fund Balance at End of Year</i> | \$2,895 | \$23,637 | \$20,742 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|------------------|---|
| Revenues: | | | |
| Charges for Services | \$77,000 | \$100,551 | \$23,551 |
| Special Assessments | 71,850 | 74,226 | 2,376 |
| <i>Total Revenues</i> | <u>148,850</u> | <u>174,777</u> | <u>25,927</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Special Assessments | | | |
| Contractual Services | 6,400 | 1,662 | 4,738 |
| Debt Service: | | | |
| Principal Retirement | 60,000 | 60,000 | 0 |
| Interest and Fiscal Charges | 10,874 | 10,874 | 0 |
| <i>Total Debt Service</i> | <u>70,874</u> | <u>70,874</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>77,274</u> | <u>72,536</u> | <u>4,738</u> |
| <i>Excess of Revenues Over Expenditures</i> | 71,576 | 102,241 | 30,665 |
| Other Financing Sources: | | | |
| Special Assessment Bonds Issued | 0 | 1,241 | 1,241 |
| <i>Net Change in Fund Balance</i> | 71,576 | 103,482 | 31,906 |
| <i>Fund Balance at Beginning of Year</i> | 112 | 112 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$71,688</u> | <u>\$103,594</u> | <u>\$31,906</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues: | | | |
| Fines, Licenses and Permits | \$185,386 | \$198,421 | \$13,035 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Law Enforcement | | | |
| Personal Services | 112,135 | 105,458 | 6,677 |
| Contractual Services | 34,869 | 22,734 | 12,135 |
| Materials and Supplies | 45,800 | 32,700 | 13,100 |
| <i>Total General Government</i> | 192,804 | 160,892 | 31,912 |
| Capital Outlay | 5,000 | 5,000 | 0 |
| <i>Total Expenditures</i> | 197,804 | 165,892 | 31,912 |
| <i>Net Change in Fund Balance</i> | (12,418) | 32,529 | 44,947 |
| <i>Fund Balance at Beginning of Year</i> | 356,460 | 356,460 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 10,890 | 10,890 | 0 |
| <i>Fund Balance at End of Year</i> | \$354,932 | \$399,879 | \$44,947 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------|---|
| Revenues: | | | |
| Investment Earnings | \$4,800 | \$5,930 | \$1,130 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| General Capital Improvement | | | |
| Contractual Services | 10,000 | 10,000 | 0 |
| Materials and Supplies | 52,193 | 52,193 | 0 |
| <i>Total General Government</i> | 62,193 | 62,193 | 0 |
| Capital Outlay | 301,631 | 260,761 | 40,870 |
| <i>Total Expenditures</i> | 363,824 | 322,954 | 40,870 |
| <i>Excess of Revenues Under Expenditures</i> | (359,024) | (317,024) | 42,000 |
| Other Financing Sources: | | | |
| Transfers-In | 231,800 | 222,774 | (9,026) |
| <i>Net Change in Fund Balance</i> | (127,224) | (94,250) | 32,974 |
| <i>Fund Balance at Beginning of Year</i> | 531,751 | 531,751 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 80,663 | 80,663 | 0 |
| <i>Fund Balance at End of Year</i> | \$485,190 | \$518,164 | \$32,974 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Other Local Taxes | \$167,000 | \$207,465 | \$40,465 |
| Charges for Services | 18,251 | 18,251 | 0 |
| Investment Earnings | 1,000 | 4,197 | 3,197 |
| Intergovernmental | 49,000 | 49,000 | 0 |
| Other | 63,000 | 63,603 | 603 |
| <i>Total Revenues</i> | <u>298,251</u> | <u>342,516</u> | <u>44,265</u> |
| Expenditures: | | | |
| Current: | | | |
| Leisure Time Activities | | | |
| Park and Recreation Improvements | | | |
| Materials and Supplies | 20,000 | 20,000 | 0 |
| Capital Outlay | <u>279,826</u> | <u>263,435</u> | <u>16,391</u> |
| <i>Total Expenditures</i> | <u>299,826</u> | <u>283,435</u> | <u>16,391</u> |
| <i>Net Change in Fund Balance</i> | (1,575) | 59,081 | 60,656 |
| <i>Fund Balance at Beginning of Year</i> | 212,413 | 212,413 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>23,479</u> | <u>23,479</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$234,317</u></u> | <u><u>\$294,973</u></u> | <u><u>\$60,656</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| Revenues: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Building and Land | | | |
| Contractual Services | 98,399 | 94,024 | 4,375 |
| Materials and Supplies | 51,449 | 51,448 | 1 |
| <i>Total General Government</i> | <u>149,848</u> | <u>145,472</u> | <u>4,376</u> |
| Capital Outlay | <u>304,728</u> | <u>304,578</u> | <u>150</u> |
| Debt Service: | | | |
| Principal Retirement | 648,150 | 648,150 | 0 |
| Interest and Fiscal Charges | 16,203 | 15,574 | 629 |
| <i>Total Debt Service</i> | <u>664,353</u> | <u>663,724</u> | <u>629</u> |
| <i>Total Expenditures</i> | <u>1,118,929</u> | <u>1,113,774</u> | <u>5,155</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,118,929)</u> | <u>(1,113,774)</u> | <u>5,155</u> |
| Other Financing Sources: | | | |
| Notes Issued | 633,150 | 633,150 | 0 |
| Premium on Debt Issued | 4,191 | 4,339 | 148 |
| Transfers-In | 272,700 | 259,161 | (13,539) |
| <i>Total Other Financing Sources</i> | <u>910,041</u> | <u>896,650</u> | <u>(13,391)</u> |
| <i>Net Change in Fund Balance</i> | <u>(208,888)</u> | <u>(217,124)</u> | <u>(8,236)</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>167,751</u> | <u>167,751</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>392,159</u> | <u>392,159</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$351,022</u></u> | <u><u>\$342,786</u></u> | <u><u>(\$8,236)</u></u> |

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Financing Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------|---|
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$285,339 | \$285,339 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Tax Increment Financing | | | |
| Contractual Services | 3,800 | 2,893 | 907 |
| Debt Service: | | | |
| Principal Retirement | 90,000 | 90,000 | 0 |
| Interest and Fiscal Charges | 27,788 | 27,788 | 0 |
| <i>Total Debt Service</i> | 117,788 | 117,788 | 0 |
| <i>Total Expenditures</i> | 121,588 | 120,681 | 907 |
| <i>Net Change in Fund Balance</i> | 163,751 | 164,658 | 907 |
| <i>Fund Balance at Beginning of Year</i> | 360,359 | 360,359 | 0 |
| <i>Fund Balance at End of Year</i> | \$524,110 | \$525,017 | \$907 |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---|
| Revenues: | | | |
| Charges for Services | \$90,000 | \$79,587 | (\$10,413) |
| Investment Earnings | 0 | 1 | 1 |
| <i>Total Revenues</i> | <u>90,000</u> | <u>79,588</u> | <u>(10,412)</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Special Assessments Construction | | | |
| Contractual Services | 22,380 | 22,380 | 0 |
| Capital Outlay | 13,028 | 13,028 | 0 |
| Debt Service: | | | |
| Principal Retirement | 190,000 | 190,000 | 0 |
| Interest and Fiscal Charges | 6,211 | 5,612 | 599 |
| <i>Total Debt Service</i> | <u>196,211</u> | <u>195,612</u> | <u>599</u> |
| <i>Total Expenditures</i> | <u>231,619</u> | <u>231,020</u> | <u>599</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(141,619)</u> | <u>(151,432)</u> | <u>(9,813)</u> |
| Other Financing Sources: | | | |
| Special Assessment Bonds Issued | 72,000 | 83,799 | 11,799 |
| <i>Net Change in Fund Balance</i> | <u>(69,619)</u> | <u>(67,633)</u> | <u>1,986</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>100,858</u> | <u>100,858</u> | <u>0</u> |
| <i>Prior Year Encumbrances Appropriated</i> | <u>48,905</u> | <u>48,905</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$80,144</u></u> | <u><u>\$82,130</u></u> | <u><u>\$1,986</u></u> |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---|
| Revenues: | | | |
| Revenue in Lieu of Taxes | \$6,028 | \$6,028 | \$0 |
| Expenditures: | | | |
| Current: | | | |
| General Government | | | |
| Tax Increment Financing | | | |
| Contractual Services | 7,743 | 6,794 | 949 |
| Debt Service: | | | |
| Principal Retirement | 2,055,000 | 2,055,000 | 0 |
| Interest and Fiscal Charges | 62,112 | 62,036 | 76 |
| <i>Total Expenditures</i> | <u>2,124,855</u> | <u>2,123,830</u> | <u>1,025</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(2,118,827)</u> | <u>(2,117,802)</u> | <u>1,025</u> |
| Other Financing Sources: | | | |
| Notes Issued | 2,111,400 | 2,112,000 | 600 |
| Premium on Debt Issued | 12,500 | 13,453 | 953 |
| <i>Total Other Financing Sources</i> | <u>2,123,900</u> | <u>2,125,453</u> | <u>1,553</u> |
| <i>Net Change in Fund Balance</i> | <u>5,073</u> | <u>7,651</u> | <u>2,578</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>10,718</u> | <u>10,718</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$15,791</u></u> | <u><u>\$18,369</u></u> | <u><u>\$2,578</u></u> |

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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Charges for Services | \$1,445,728 | \$1,468,816 | \$23,088 |
| Other | 785 | 486 | (299) |
| <i>Total Revenues</i> | <u>1,446,513</u> | <u>1,469,302</u> | <u>22,789</u> |
| Expenses: | | | |
| Personal Services | 584,015 | 577,303 | 6,712 |
| Contractual Services | 48,405 | 44,904 | 3,501 |
| Materials and Supplies | 800,941 | 798,557 | 2,384 |
| Capital Outlay | 13,005 | 13,005 | 0 |
| <i>Total Expenses</i> | <u>1,446,366</u> | <u>1,433,769</u> | <u>12,597</u> |
| <i>Net Change in Fund Equity</i> | 147 | 35,533 | 35,386 |
| <i>Fund Equity at Beginning of Year</i> | 156,602 | 156,602 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>51,356</u> | <u>51,356</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$208,105</u></u> | <u><u>\$243,491</u></u> | <u><u>\$35,386</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---|
| Revenues: | | | |
| Charges for Services | \$858,000 | \$858,000 | \$0 |
| Other | 0 | 5,109 | 5,109 |
| <i>Total Revenues</i> | <u>858,000</u> | <u>863,109</u> | <u>5,109</u> |
| Expenses: | | | |
| Personal Services | 421,603 | 418,144 | 3,459 |
| Contractual Services | 272,136 | 271,951 | 185 |
| Materials and Supplies | 22,517 | 22,318 | 199 |
| Capital Outlay | 179,738 | 124,737 | 55,001 |
| <i>Total Expenses</i> | <u>895,994</u> | <u>837,150</u> | <u>58,844</u> |
| <i>Net Change in Fund Equity</i> | (37,994) | 25,959 | 63,953 |
| <i>Fund Equity at Beginning of Year</i> | 195,667 | 195,667 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>80,550</u> | <u>80,550</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$238,223</u></u> | <u><u>\$302,176</u></u> | <u><u>\$63,953</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, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues: | | | |
| Other | \$2,000 | \$1,172 | (\$828) |
| Expenses: | | | |
| Personal Services | 15,000 | 1,202 | 13,798 |
| Contractual Services | 7,292 | 7,000 | 292 |
| <i>Total Expenses</i> | 22,292 | 8,202 | 14,090 |
| <i>Excess of Revenues Under Expenses</i> | (20,292) | (7,030) | 13,262 |
| Non-Operating Revenues: | | | |
| Investment Earnings | 1,000 | 2,310 | 1,310 |
| <i>Net Change in Fund Equity</i> | (19,292) | (4,720) | 14,572 |
| <i>Fund Equity at Beginning of Year</i> | 131,103 | 131,103 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 730 | 730 | 0 |
| <i>Fund Equity at End of Year</i> | \$112,541 | \$127,113 | \$14,572 |

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Jefferson Health Plan Fund
For the Year Ended December 31, 2019

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| Revenues: | | | |
| Charges for Services | \$3,081,000 | \$3,080,476 | (\$524) |
| Other | 270,000 | 227,233 | (42,767) |
| <i>Total Revenues</i> | <u>3,351,000</u> | <u>3,307,709</u> | <u>(43,291)</u> |
| Expenses: | | | |
| Contractual Services | 870,000 | 822,149 | 47,851 |
| Claims | 2,580,000 | 2,573,208 | 6,792 |
| <i>Total Expenses</i> | <u>3,450,000</u> | <u>3,395,357</u> | <u>54,643</u> |
| <i>Excess of Revenues Under Expenses</i> | (99,000) | (87,648) | 11,352 |
| Non-Operating Revenues: | | | |
| Investment Earnings | 19,000 | 18,801 | (199) |
| <i>Net Change in Fund Equity</i> | (80,000) | (68,847) | 11,153 |
| <i>Fund Equity at Beginning of Year</i> | <u>680,574</u> | <u>680,574</u> | <u>0</u> |
| <i>Fund Equity at End of Year</i> | <u><u>\$600,574</u></u> | <u><u>\$611,727</u></u> | <u><u>\$11,153</u></u> |

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



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 | 200-209 |
| 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 | 210-219 |
| These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and income taxes. | |
| Debt Capacity | 220-227 |
| 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 | 228-231 |
| 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 | 232-235 |
| 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

| | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$58,223,118 | \$59,259,234 | \$59,885,657 | \$60,422,126 |
| Restricted | 10,917,852 | 13,249,832 | 13,272,202 | 12,832,977 |
| Unrestricted (Deficit) | 6,468,379 | 7,587,718 | 11,621,608 | 13,227,049 |
| <i>Total Governmental Activities Net Position</i> | <u>\$75,609,349</u> | <u>\$80,096,784</u> | <u>\$84,779,467</u> | <u>\$86,482,152</u> |
| Business-Type Activities | | | | |
| Net Investment in Capital Assets | \$12,913,413 | \$12,778,599 | \$12,182,697 | \$10,370,449 |
| Unrestricted | 7,461,531 | 9,037,992 | 10,509,882 | 13,781,547 |
| <i>Total Business-Type Activities Net Position</i> | <u>\$20,374,944</u> | <u>\$21,816,591</u> | <u>\$22,692,579</u> | <u>\$24,151,996</u> |
| Total Primary Government | | | | |
| Net Investment in Capital Assets | \$71,136,531 | \$72,037,833 | \$72,068,354 | \$70,792,575 |
| Restricted | 10,917,852 | 13,249,832 | 13,272,202 | 12,832,977 |
| Unrestricted (Deficit) | 13,929,910 | 16,625,710 | 22,131,490 | 27,008,596 |
| <i>Total Primary Government Net Position</i> | <u>\$95,984,293</u> | <u>\$101,913,375</u> | <u>\$107,472,046</u> | <u>\$110,634,148</u> |

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014.

Note: The City reported the impact of GASB Statement No. 75 beginning in 2017.

| 2014 | 2015 | 2016 | Restated 2017 | 2018 | 2019 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$61,971,834 | \$62,817,281 | \$62,009,840 | \$61,539,877 | \$61,482,208 | \$63,758,772 |
| 9,206,263 | 10,484,017 | 12,289,605 | 14,147,204 | 11,824,721 | 13,476,539 |
| (7,228,899) | (7,781,865) | (9,725,679) | (34,010,845) | (38,509,120) | (26,713,492) |
| <u>\$63,949,198</u> | <u>\$65,519,433</u> | <u>\$64,573,766</u> | <u>\$41,676,236</u> | <u>\$34,797,809</u> | <u>\$50,521,819</u> |
| \$10,132,357 | \$10,497,587 | \$11,706,766 | \$13,837,167 | \$16,390,665 | \$17,509,040 |
| 13,991,246 | 15,319,546 | 15,371,576 | 13,066,731 | 10,175,839 | 8,092,813 |
| <u>\$24,123,603</u> | <u>\$25,817,133</u> | <u>\$27,078,342</u> | <u>\$26,903,898</u> | <u>\$26,566,504</u> | <u>\$25,601,853</u> |
| \$72,104,191 | \$73,314,868 | \$73,716,606 | \$75,377,044 | \$77,872,873 | \$81,267,812 |
| 9,206,263 | 10,484,017 | 12,289,605 | 14,147,204 | 11,824,721 | 13,476,539 |
| 6,762,347 | 7,537,681 | 5,645,897 | (20,944,114) | (28,333,281) | (18,620,679) |
| <u>\$88,072,801</u> | <u>\$91,336,566</u> | <u>\$91,652,108</u> | <u>\$68,580,134</u> | <u>\$61,364,313</u> | <u>\$76,123,672</u> |

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

| | 2010 | 2011 | 2012 | 2013 |
|---|--------------|--------------|--------------|--------------|
| Program Revenues: | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | \$4,546,522 | \$5,006,470 | \$5,321,951 | \$4,797,028 |
| Public Safety | 2,243,439 | 1,580,842 | 2,242,606 | 2,277,370 |
| Leisure Time Activities | 17,755 | 20,555 | 20,668 | 19,345 |
| Community Development | 0 | 0 | 0 | 0 |
| Transportation and Street Repair | 0 | 0 | 16,031 | 22,314 |
| Public Health and Welfare | 31,559 | 40,585 | 41,825 | 41,267 |
| Operating Grants, Contributions and Interest | 2,601,148 | 3,119,605 | 3,313,243 | 3,001,991 |
| Capital Grants, Contributions and Interest | 1,154,072 | 3,224,212 | 1,178,734 | 857,836 |
| Total Governmental Activities Program Revenues | 10,594,495 | 12,992,269 | 12,135,058 | 11,017,151 |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water | 3,737,937 | 3,957,558 | 4,199,695 | 4,168,835 |
| Sewer | 5,754,670 | 5,936,952 | 6,505,548 | 6,640,578 |
| Sanitation | 2,525,807 | 2,502,118 | 2,542,620 | 2,636,893 |
| Operating Grants, Contributions and Interest: | | | | |
| Sewer | 51,742 | 0 | 0 | 0 |
| Capital Grants, Contributions and Interest: | | | | |
| Water | 27,700 | 43,300 | 65,235 | 0 |
| Sewer | 39,540 | 46,865 | 56,005 | 0 |
| Total Business-Type Activities Program Revenues | 12,137,396 | 12,486,793 | 13,369,103 | 13,446,306 |
| Total Primary Government Program Revenues | 22,731,891 | 25,479,062 | 25,504,161 | 24,463,457 |
| Expenses: | | | | |
| Governmental Activities: | | | | |
| General Government | 10,210,347 | 9,358,187 | 8,905,813 | 10,125,094 |
| Public Safety | 13,166,582 | 13,148,808 | 12,978,270 | 13,969,809 |
| Leisure Time Activities | 509,311 | 353,854 | 332,663 | 452,199 |
| Community Development | 1,096,602 | 1,107,951 | 1,374,945 | 1,156,363 |
| Transportation and Street Repair | 1,829,298 | 1,858,735 | 3,421,331 | 2,617,619 |
| Public Health and Welfare | 91,846 | 96,966 | 96,413 | 103,185 |
| Interest and Fiscal Charges | 459,319 | 216,742 | 346,865 | 270,515 |
| Intergovernmental | 222,316 | 361,216 | 223,589 | 0 |
| Total Governmental Activities Expenses | 27,585,621 | 26,502,459 | 27,679,889 | 28,694,784 |
| Business-Type Activities: | | | | |
| Water | 3,456,025 | 3,211,043 | 3,450,401 | 4,038,081 |
| Sewer | 5,382,287 | 5,334,436 | 6,635,220 | 5,578,285 |
| Sanitation | 2,328,675 | 2,550,934 | 2,449,113 | 2,721,970 |
| Total Business-Type Activities Expenses | 11,166,987 | 11,096,413 | 12,534,734 | 12,338,336 |
| Total Primary Government Expenses | \$38,752,608 | \$37,598,872 | \$40,214,623 | \$41,033,120 |

| 2014 | 2015 (1) | 2016 | 2017 | 2018 (2) | 2019 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$4,894,322 | \$4,958,113 | \$5,611,972 | \$5,420,422 | \$5,568,073 | \$5,508,487 |
| 2,056,636 | 2,271,404 | 2,270,773 | 2,011,779 | 2,060,653 | 1,483,093 |
| 18,477 | 20,984 | 19,988 | 18,251 | 18,251 | 18,251 |
| 26,642 | 51,233 | 38,629 | 40,423 | 23,278 | 7,822 |
| 26,954 | 9,570 | 31,921 | 140,092 | 39,405 | 40,791 |
| 32,391 | 27,344 | 35,595 | 30,829 | 37,091 | 31,318 |
| 3,306,043 | 3,299,247 | 3,559,966 | 4,436,696 | 4,554,107 | 6,583,089 |
| 935,184 | 1,430,177 | 878,850 | 615,550 | 997,091 | 341,803 |
| 11,296,649 | 12,068,072 | 12,447,694 | 12,714,042 | 13,297,949 | 14,014,654 |
| 4,304,620 | 4,104,119 | 4,136,284 | 4,023,734 | 4,105,891 | 4,089,684 |
| 6,687,253 | 6,651,226 | 6,648,955 | 6,317,030 | 6,388,028 | 6,490,299 |
| 2,763,166 | 2,754,574 | 2,743,135 | 3,087,225 | 3,084,525 | 3,220,143 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 36,480 | 71,290 | 52,330 | 55,690 | 61,680 | 94,650 |
| 25,547 | 58,820 | 43,110 | 49,110 | 58,970 | 85,850 |
| 13,817,066 | 13,640,029 | 13,623,814 | 13,532,789 | 13,699,094 | 13,980,626 |
| 25,113,715 | 25,708,101 | 26,071,508 | 26,246,831 | 26,997,043 | 27,995,280 |
| 9,957,291 | 10,198,666 | 10,756,212 | 11,633,948 | 12,114,843 | 13,054,969 |
| 14,285,206 | 14,786,740 | 17,290,189 | 17,344,091 | 21,071,688 | 2,731,748 |
| 404,947 | 450,208 | 461,178 | 604,199 | 624,857 | 536,633 |
| 4,681,346 | 2,259,182 | 1,959,838 | 2,524,337 | 3,138,321 | 2,216,799 |
| 3,328,628 | 3,338,726 | 3,088,426 | 2,084,305 | 4,993,499 | 2,914,006 |
| 116,391 | 117,755 | 122,870 | 119,619 | 118,836 | 149,716 |
| 214,784 | 210,577 | 247,647 | 358,433 | 411,131 | 418,686 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 32,988,593 | 31,361,854 | 33,926,360 | 34,668,932 | 42,473,175 | 22,022,557 |
| 4,468,043 | 3,997,386 | 3,945,132 | 4,122,433 | 4,686,146 | 4,360,322 |
| 5,484,171 | 5,547,509 | 6,492,400 | 5,759,142 | 6,575,149 | 7,623,935 |
| 2,572,478 | 2,591,785 | 2,830,336 | 2,990,997 | 3,050,745 | 3,250,759 |
| 12,524,692 | 12,136,680 | 13,267,868 | 12,872,572 | 14,312,040 | 15,235,016 |
| \$45,513,285 | \$43,498,534 | \$47,194,228 | \$47,541,504 | \$56,785,215 | \$37,257,573 |

(continued)

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

| | 2010 | 2011 | 2012 | 2013 |
|--|----------------|----------------|----------------|----------------|
| Net (Expense)/Revenue | | | | |
| Governmental Activities | (\$16,991,126) | (\$13,510,190) | (\$15,544,831) | (\$17,677,633) |
| Business-Type Activities | 970,409 | 1,390,380 | 834,369 | 1,107,970 |
| Total Primary Government Net Expenses | (16,020,717) | (12,119,810) | (14,710,462) | (16,569,663) |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | 1,645,992 | 1,551,379 | 822,926 | 834,730 |
| Fire and EMS | 380,949 | 545,417 | 2,189,418 | 2,210,684 |
| Police | 152,106 | 340,974 | 2,189,418 | 2,210,683 |
| Debt Service | 149,388 | 114,364 | 0 | 0 |
| Street Lighting | 139,667 | 124,253 | 0 | 0 |
| Other Local Taxes | 712,099 | 810,109 | 841,187 | 823,386 |
| Revenue in Lieu of Taxes | 339,114 | 332,269 | 379,278 | 362,657 |
| Municipal Income Taxes Levied for: | | | | |
| General Purposes | 7,739,285 | 7,759,131 | 8,125,170 | 7,733,646 |
| Street Programs | 1,931,190 | 1,946,526 | 2,030,750 | 1,934,815 |
| Public Safety | 1,931,190 | 1,946,525 | 2,030,749 | 1,934,815 |
| Grants and Entitlements not | | | | |
| Restricted to Specific Programs | 2,158,308 | 1,890,415 | 1,076,446 | 1,271,868 |
| Investment Earnings | 16,369 | 135,217 | 63,005 | (53,893) |
| Other | 397,906 | 501,046 | 479,167 | 418,299 |
| Transfers-Internal Activities | 0 | 0 | 0 | (301,372) |
| Total Governmental Activities | 17,693,563 | 17,997,625 | 20,227,514 | 19,380,318 |
| Business-Type Activities: | | | | |
| Investment Earnings | 57,526 | 25,838 | 23,729 | 13,118 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 0 |
| Other | 29,830 | 25,429 | 17,890 | 36,957 |
| Transfers-Internal Activities | 0 | 0 | 0 | 301,372 |
| Total Business-Type Activities | 87,356 | 51,267 | 41,619 | 351,447 |
| Total Primary Government | 17,780,919 | 18,048,892 | 20,269,133 | 19,731,765 |
| Change in Net Position: | | | | |
| Governmental Activities | 702,437 | 4,487,435 | 4,682,683 | 1,702,685 |
| Business-Type Activities | 1,057,765 | 1,441,647 | 875,988 | 1,459,417 |
| Total Primary Government | \$1,760,202 | \$5,929,082 | \$5,558,671 | \$3,162,102 |

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

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.

| 2014 | 2015 (1) | 2016 | 2017 | 2018 (2) | 2019 |
|----------------|----------------|----------------|----------------|----------------|---------------|
| (\$21,691,944) | (\$19,293,782) | (\$21,478,666) | (\$21,954,890) | (\$29,175,226) | (\$8,007,903) |
| 1,292,374 | 1,503,349 | 355,946 | 660,217 | (612,946) | (1,254,390) |
| (20,399,570) | (17,790,433) | (21,122,720) | (21,294,673) | (29,788,172) | (9,262,293) |
| 847,262 | 782,489 | 818,384 | 882,524 | 787,269 | 877,515 |
| 2,240,812 | 2,045,353 | 2,166,795 | 2,135,521 | 2,204,623 | 2,265,445 |
| 2,240,812 | 2,045,353 | 2,166,795 | 2,135,522 | 2,204,623 | 2,265,445 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 828,945 | 847,768 | 841,911 | 765,467 | 896,209 | 842,432 |
| 419,134 | 428,715 | 411,210 | 506,595 | 592,090 | 728,180 |
| 8,080,790 | 8,231,278 | 8,958,104 | 8,728,866 | 9,008,285 | 9,312,525 |
| 2,018,698 | 2,057,256 | 2,239,665 | 2,181,914 | 2,235,800 | 2,328,539 |
| 2,018,698 | 2,057,248 | 2,239,665 | 2,181,913 | 2,235,797 | 2,328,538 |
| 968,659 | 1,765,047 | 938,320 | 808,185 | 986,697 | 1,154,261 |
| 442,641 | 191,381 | (41,272) | 279,331 | 448,000 | 737,247 |
| 580,160 | 412,129 | 479,006 | 645,871 | 697,406 | 891,786 |
| 0 | 0 | (685,584) | (283,347) | 0 | 0 |
| 20,686,611 | 20,864,017 | 20,532,999 | 20,968,362 | 22,296,799 | 23,731,913 |
| 30,708 | 52,369 | 75,056 | 65,800 | 71,411 | 63,884 |
| 0 | 0 | 0 | 22,247 | 0 | 0 |
| 149,596 | 137,812 | 144,623 | 199,256 | 204,141 | 225,855 |
| 0 | 0 | 685,584 | 283,347 | 0 | 0 |
| 180,304 | 190,181 | 905,263 | 570,650 | 275,552 | 289,739 |
| 20,866,915 | 21,054,198 | 21,438,262 | 21,539,012 | 22,572,351 | 24,021,652 |
| (1,005,333) | 1,570,235 | (945,667) | (986,528) | (6,878,427) | 15,724,010 |
| 1,472,678 | 1,693,530 | 1,261,209 | 1,230,867 | (337,394) | (964,651) |
| \$467,345 | \$3,263,765 | \$315,542 | \$244,339 | (\$7,215,821) | \$14,759,359 |

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

| | 2010 | 2011 | 2012 | 2013 |
|------------------------------------|-------------|--------------|--------------|--------------|
| General Fund | | | | |
| Nondisposable | \$28,888 | \$46,497 | \$54,586 | \$25,166 |
| Assigned | 213,705 | 171,849 | 262,679 | 608,978 |
| Unassigned | 3,371,738 | 3,410,686 | 7,894,685 | 9,382,356 |
| Total General Fund | 3,614,331 | 3,629,032 | 8,211,950 | 10,016,500 |
| All Other Governmental Funds | | | | |
| Nondisposable | 1,284,429 | 3,412,502 | 3,329,972 | 69,678 |
| Restricted | 6,575,123 | 7,071,041 | 7,360,699 | 7,176,384 |
| Committed | 374,831 | 491,291 | 561,203 | 254,549 |
| Assigned | 474,042 | 593,902 | 495,287 | 586,058 |
| Unassigned (Deficit) | (2,553,880) | (3,123,216) | (730,233) | (309,636) |
| Total all Other Governmental Funds | 6,154,545 | 8,445,520 | 11,016,928 | 7,777,033 |
| All Governmental Funds | \$9,768,876 | \$12,074,552 | \$19,228,878 | \$17,793,533 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$23,665 | \$14,298 | \$18,950 | \$72,838 | \$80,503 | \$81,612 |
| 755,130 | 983,752 | 2,023,546 | 2,721,907 | 1,752,154 | 3,206,819 |
| 10,042,544 | 9,480,017 | 8,378,803 | 6,936,826 | 7,342,232 | 6,052,931 |
| 10,821,339 | 10,478,067 | 10,421,299 | 9,731,571 | 9,174,889 | 9,341,362 |
| 200,574 | 166,271 | 669,611 | 162,712 | 174,023 | 187,314 |
| 6,062,520 | 7,295,377 | 8,206,807 | 9,172,117 | 8,202,333 | 9,169,171 |
| 309,296 | 119,119 | 258,566 | 432,467 | 792,265 | 716,683 |
| 625,356 | 419,469 | 459,463 | 633,701 | 400,326 | 562,794 |
| (122,498) | (1,079) | (2,216,842) | (2,101,377) | (3,334,860) | (2,144,747) |
| 7,075,248 | 7,999,157 | 7,377,605 | 8,299,620 | 6,234,087 | 8,491,215 |
| \$17,896,587 | \$18,477,224 | \$17,798,904 | \$18,031,191 | \$15,408,976 | \$17,832,577 |

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

| | 2010 | 2011 | 2012 | 2013 |
|--|-------------------|--------------------|--------------------|----------------------|
| Revenues: | | | | |
| Property Taxes | \$2,458,646 | \$2,415,919 | \$5,235,512 | \$5,404,927 |
| Other Local Taxes | 712,099 | 810,109 | 841,187 | 823,386 |
| Municipal Income Taxes | 11,442,949 | 11,574,407 | 11,994,955 | 11,691,107 |
| Revenue in Lieu of Taxes | 339,114 | 332,269 | 379,278 | 362,657 |
| Fines, Licenses and Permits | 1,817,598 | 1,638,566 | 1,639,486 | 1,679,445 |
| Charges for Services | 4,868,341 | 5,048,274 | 5,778,812 | 5,342,261 |
| Investment Earnings | 165,647 | 168,589 | 101,427 | (48,747) |
| Intergovernmental | 5,914,059 | 6,236,284 | 6,535,383 | 4,942,122 |
| Special Assessments | 414,979 | 416,412 | 363,052 | 321,577 |
| Contributions and Donations | 0 | 46,558 | 9,276 | 1,427 |
| Other | 397,906 | 501,046 | 498,594 | 418,299 |
| Total Revenues | 28,531,338 | 29,188,433 | 33,376,962 | 30,938,461 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 7,517,523 | 7,025,927 | 6,410,454 | 7,359,127 |
| Public Safety | 12,772,786 | 12,379,650 | 12,282,513 | 13,351,123 |
| Leisure Time Activities | 391,574 | 201,592 | 169,189 | 281,564 |
| Community Development | 1,080,457 | 1,087,343 | 1,349,975 | 1,133,762 |
| Transportation and Street Repair | 1,460,195 | 1,763,864 | 3,309,867 | 2,607,811 |
| Public Health and Welfare | 90,865 | 95,111 | 94,743 | 102,948 |
| Capital Outlay | 2,505,157 | 1,699,918 | 2,014,611 | 2,896,232 |
| Intergovernmental | 222,316 | 216,742 | 223,589 | 215,666 |
| Debt Service: | | | | |
| Principal Retirement | 2,040,492 | 2,478,903 | 1,755,570 | 3,328,691 |
| Interest and Fiscal Charges | 485,687 | 384,476 | 363,988 | 321,975 |
| Issuance Costs | 852 | 11,510 | 0 | 0 |
| Total Expenditures | 28,567,904 | 27,345,036 | 27,974,499 | 31,598,899 |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | (36,566) | 1,843,397 | 5,402,463 | (660,438) |
| Other Financing Sources (Uses): | | | | |
| Special Assessments Bond Issued | 0 | 320,000 | 120,000 | 0 |
| Notes Issued | 0 | 0 | 0 | 517,500 |
| Proceeds of OPWC Loans | 0 | 0 | 0 | 0 |
| Premium on Debt Issued | 583 | 0 | 16,193 | 47,589 |
| Proceeds from the Sale of Capital Assets | 0 | 22,279 | 4,484 | 25,921 |
| General Obligation Bonds Issued | 45,000 | 0 | 0 | 1,630,000 |
| Refunding Notes Issued | 710,000 | 120,000 | 1,611,186 | 0 |
| Transfers-In | 10,226,724 | 9,644,754 | 4,870,028 | 5,878,722 |
| Transfers-Out | (10,226,724) | (9,644,754) | (4,870,028) | (5,878,722) |
| Total Other Financing Sources (Uses) | 755,583 | 462,279 | 1,751,863 | 2,221,010 |
| Prior Year Restatement of Restricted Fund Balance | 0 | 0 | 0 | (2,995,917) |
| Net Change in Fund Balances | \$719,017 | \$2,305,676 | \$7,154,326 | (\$1,435,345) |
| Debt Service as a Percentage | | | | |
| of Noncapital Expenditures | 9.7% | 11.2% | 8.2% | 12.6% |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------|-------------|-------------|-------------|---------------|-------------|
| \$5,270,213 | \$5,033,037 | \$5,146,070 | \$5,128,685 | \$5,221,852 | \$5,320,488 |
| 828,945 | 847,768 | 841,911 | 764,241 | 897,435 | 842,432 |
| 11,911,179 | 12,165,582 | 13,164,280 | 13,016,028 | 13,491,824 | 13,835,468 |
| 419,134 | 428,715 | 411,210 | 506,595 | 592,090 | 728,180 |
| 1,809,801 | 1,701,365 | 1,744,061 | 2,175,162 | 1,971,179 | 1,897,855 |
| 5,370,812 | 5,552,844 | 5,628,442 | 5,614,586 | 5,501,197 | 5,132,794 |
| 488,097 | 184,960 | 26,256 | 319,513 | 533,530 | 839,251 |
| 4,722,891 | 5,945,544 | 4,451,296 | 5,018,296 | 5,711,160 | 6,885,726 |
| 295,972 | 197,000 | 187,020 | 194,139 | 184,481 | 76,842 |
| 5,384 | 11,059 | 15,565 | 19,076 | 17,728 | 14,443 |
| 580,160 | 412,129 | 479,006 | 645,871 | 697,406 | 891,786 |
| 31,702,588 | 32,480,003 | 32,095,117 | 33,402,192 | 34,819,882 | 36,465,265 |
| 7,121,226 | 6,987,945 | 7,330,640 | 7,996,512 | 8,431,402 | 8,603,326 |
| 13,496,787 | 13,815,117 | 14,806,908 | 15,595,103 | 17,309,839 | 16,546,058 |
| 229,166 | 247,569 | 268,657 | 299,904 | 346,021 | 382,447 |
| 1,655,251 | 2,259,829 | 1,883,239 | 2,353,386 | 2,960,163 | 1,908,212 |
| 3,258,464 | 3,234,742 | 2,949,365 | 1,850,948 | 4,782,492 | 2,321,291 |
| 115,122 | 117,097 | 118,751 | 117,643 | 115,585 | 125,069 |
| 3,399,872 | 4,335,287 | 4,737,193 | 6,577,806 | 3,014,662 | 5,754,076 |
| 253,670 | 243,390 | 235,465 | 315,411 | 358,145 | 436,813 |
| 2,136,024 | 715,368 | 676,945 | 1,025,336 | 3,806,305 | 4,152,434 |
| 255,058 | 219,918 | 249,473 | 337,359 | 426,430 | 431,683 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 31,920,640 | 32,176,262 | 33,256,636 | 36,469,408 | 41,551,044 | 40,661,409 |
| (218,052) | 303,741 | (1,161,519) | (3,067,216) | (6,731,162) | (4,196,144) |
| 0 | 0 | 85,000 | 0 | 75,000 | 89,000 |
| 310,000 | 270,000 | 757,515 | 3,545,000 | 4,001,225 | 6,430,981 |
| 0 | 0 | 334,832 | 0 | 0 | 0 |
| 6,935 | 2,155 | 4,726 | 32,014 | 29,571 | 60,732 |
| 4,171 | 4,741 | 11,710 | 5,836 | 3,151 | 39,032 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 6,654,118 | 7,370,918 | 8,581,627 | 7,723,776 | 8,051,918 | 7,733,335 |
| (6,654,118) | (7,370,918) | (9,292,211) | (8,007,123) | (8,051,918) | (7,733,335) |
| 321,106 | 276,896 | 483,199 | 3,299,503 | 4,108,947 | 6,619,745 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| \$103,054 | \$580,637 | (\$678,320) | \$232,287 | (\$2,622,215) | \$2,423,601 |
| 8.4% | 3.4% | 3.3% | 4.6% | 11.0% | 13.3% |

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 |
| 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 |
| 2017 | 506,280,670 | 1,446,516,200 | 16,466,990 | 18,712,489 | 0 | 0 |
| 2018 | 514,907,250 | 1,471,163,571 | 17,744,430 | 20,164,125 | 0 | 0 |
| 2019 | 522,658,010 | 1,493,308,600 | 19,235,850 | 21,858,920 | 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 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.

| | | | Weighted Average Tax Rate (per \$1,000 of assessed value) |
|-------------------|---------------------------|-------|---|
| Assessed Value | Total | Ratio | |
| | Estimated Actual Value | | |
| \$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 | 11.30 |
| 522,747,660 | 1,465,228,689 | 35.68 | 11.30 |
| 532,651,680 | 1,491,327,696 | 35.72 | 11.17 |
| 541,893,860 | 1,515,167,520 | 35.76 | 11.14 |

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

| | 2010 | 2011 | 2012 | 2013 |
|--|-----------|-----------|-----------|-----------|
| Unvoted Millage | | | | |
| Operating | \$2.50000 | \$2.50000 | \$2.50000 | \$2.50000 |
| Voted Millage - by levy | | | | |
| 1976 Current Expense | | | | |
| Residential/Agricultural Real | 1.1799 | 0.0000 | 0.0000 | 0.0000 |
| Commercial/Industrial and Public Utility Real | 1.8505 | 0.0000 | 0.0000 | 0.0000 |
| General Business and Public Utility Personal | 4.8000 | 0.0000 | 0.0000 | 0.0000 |
| 1976 Street Light | | | | |
| Residential/Agricultural Real | 0.2212 | 0.0000 | 0.0000 | 0.0000 |
| Commercial/Industrial and Public Utility Real | 0.3470 | 0.0000 | 0.0000 | 0.0000 |
| General Business and Public Utility Personal | 0.9000 | 0.0000 | 0.0000 | 0.0000 |
| 1982 Emergency Medical Service | | | | |
| Residential/Agricultural Real | 0.3924 | 0.0000 | 0.0000 | 0.0000 |
| Commercial/Industrial and Public Utility Real | 0.5398 | 0.0000 | 0.0000 | 0.0000 |
| General Business and Public Utility Personal | 1.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1990 Bond Levy (\$1,750,000) | | | | |
| Residential/Agricultural Real | 0.2500 | 0.0000 | 0.0000 | 0.0000 |
| Commercial/Industrial and Public Utility Real | 0.2500 | 0.0000 | 0.0000 | 0.0000 |
| General Business and Public Utility Personal | 0.2500 | 0.0000 | 0.0000 | 0.0000 |
| 2011 Police | | | | |
| Residential/Agricultural Real | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| Commercial/Industrial and Public Utility Real | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| General Business and Public Utility Personal | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| 2011 Fire & EMS | | | | |
| Residential/Agricultural Real | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| Commercial/Industrial and Public Utility Real | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| General Business and Public Utility Personal | 0.00000 | 4.40000 | 4.40000 | 4.40000 |
| <i>Total Voted Millage by Type of Property</i> | | | | |
| Residential/Agricultural Real | 2.04350 | 8.80000 | 8.80000 | 8.80000 |
| Commercial/Industrial and Public Utility Real | 2.98730 | 8.80000 | 8.80000 | 8.80000 |
| General Business and Public Utility Personal | 6.95000 | 8.80000 | 8.80000 | 8.80000 |
| <i>Total Millage by Type of Property</i> | | | | |
| Residential/Agricultural Real | 4.54350 | 11.30000 | 11.30000 | 11.30000 |
| Commercial/Industrial and Public Utility Real | 5.48730 | 11.30000 | 11.30000 | 11.30000 |
| General Business and Public Utility Personal | 9.45000 | 11.30000 | 11.30000 | 11.30000 |
| <i>Weighted Average</i> | 8.80000 | 8.80000 | 8.80000 | 8.80000 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$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 |
| 4.40000 | 4.40000 | 4.40000 | 4.33477 | 4.33249 | 4.32000 |
| 4.40000 | 4.40000 | 4.40000 | 4.40000 | 4.38531 | 4.33935 |
| 4.40000 | 4.40000 | 4.40000 | 4.40000 | 4.38531 | 4.33935 |
| 4.40000 | 4.40000 | 4.40000 | 4.33477 | 4.33249 | 4.32000 |
| 4.40000 | 4.40000 | 4.40000 | 4.40000 | 4.38531 | 4.33935 |
| 4.40000 | 4.40000 | 4.40000 | 4.40000 | 4.38531 | 4.33935 |
| 8.80000 | 8.80000 | 8.80000 | 8.66954 | 8.66498 | 8.64000 |
| 8.80000 | 8.80000 | 8.80000 | 8.80000 | 8.77062 | 8.67869 |
| 8.80000 | 8.80000 | 8.80000 | 8.80000 | 8.77062 | 8.67869 |
| 11.30000 | 11.30000 | 11.30000 | 11.16954 | 11.16498 | 11.14000 |
| 11.30000 | 11.30000 | 11.30000 | 11.30000 | 11.27062 | 11.17869 |
| 11.30000 | 11.30000 | 11.30000 | 11.30000 | 11.27062 | 11.17869 |
| 8.80000 | 11.30000 | 11.30000 | 11.30000 | 11.17000 | 11.14000 |

(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

| | 2010 | 2011 | 2012 | 2013 |
|--|-----------|-----------|-----------|-----------|
| Fairborn City School District | | | | |
| Residential/Agricultural Real | \$30.1277 | \$32.2323 | \$32.0765 | \$32.1015 |
| Commercial/Industrial and Public Utility Real | 31.4438 | 33.0970 | 33.1848 | 33.5243 |
| General Business and Public Utility Personal | 51.9000 | 52.6500 | 52.5000 | 52.5000 |
| Greene County Joint Vocational School District | | | | |
| Residential/Agricultural Real | 2.5316 | 2.6460 | 2.6473 | 2.6494 |
| Commercial/Industrial and Public Utility Real | 2.6963 | 2.8188 | 2.8285 | 2.8550 |
| General Business and Public Utility Personal | 3.4500 | 3.4500 | 3.4500 | 3.4500 |
| General Health District | | | | |
| Residential/Agricultural Real | 0.4578 | 0.8000 | 0.8000 | 0.8000 |
| Commercial/Industrial and Public Utility Real | 0.4763 | 0.8000 | 0.8000 | 0.8000 |
| General Business and Public Utility Personal | 0.5000 | 0.8000 | 0.8000 | 0.8000 |
| Greene County | | | | |
| Residential/Agricultural Real | 11.5834 | 11.2744 | 11.2772 | 11.2842 |
| Commercial/Industrial and Public Utility Real | 11.5388 | 11.8825 | 11.9065 | 11.9692 |
| General Business and Public Utility Personal | 12.2500 | 12.2500 | 12.2500 | 12.2500 |

Source: Greene County Auditor

Note: The rates presented for a particular calendar year are the effective 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.

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$33.1700 | \$33.1900 | \$35.9100 | \$35.5983 | \$35.3978 | \$34.8473 |
| 34.0200 | 34.0300 | 36.7300 | 36.7839 | 36.5250 | 36.0671 |
| 52.6500 | 52.6500 | 55.3500 | 55.3500 | 55.2500 | 54.5400 |
| 2.6600 | 2.6500 | 2.6600 | 2.5606 | 3.5877 | 3.5336 |
| 2.8700 | 2.8000 | 2.7800 | 2.7896 | 3.8335 | 3.7709 |
| 3.4500 | 3.4500 | 3.4500 | 3.4500 | 4.4800 | 4.4300 |
| 0.8000 | 0.8000 | 0.8000 | 0.7702 | 0.7693 | 0.7681 |
| 0.8000 | 0.7800 | 0.7800 | 0.7765 | 0.7801 | 0.7772 |
| 0.8000 | 0.8000 | 0.8000 | 0.8000 | 0.8000 | 0.8000 |
| 11.6900 | 13.4900 | 13.4800 | 12.5810 | 13.0729 | 13.0560 |
| 12.4100 | 13.9300 | 13.8400 | 13.3735 | 13.9304 | 13.8798 |
| 12.6500 | 14.4500 | 14.4500 | 14.4500 | 14.4500 | 14.4500 |

City of Fairborn, Ohio
Principal Property Tax Payers
2019 and 2010
Schedule 7

| Taxpayer | 2019 | |
|-------------------------------------|----------------------|------------------------------------|
| | Assessed Value | Percentage of Total Assessed Value |
| Dayton Power and Light | \$12,851,690 | 2.37% |
| Charter Woods LLC | 6,166,370 | 1.14% |
| Vectren Energy | 5,556,550 | 1.03% |
| NL Core Avalon Place LLC | 5,414,930 | 1.00% |
| Brinley Place LLC | 3,773,920 | 0.70% |
| 2377 Commerce Center Blvd. LLC | 3,569,870 | 0.66% |
| Fairfield Oaks LLC | 3,241,900 | 0.60% |
| Stag Fairborn LLC | 3,185,000 | 0.59% |
| Kroger At VG LTD | 3,169,990 | 0.58% |
| US Bank NA Trustee | 3,043,660 | 0.56% |
| Total Principal Property Tax Payers | 49,973,880 | 9.23% |
| Total All Others | 491,919,980 | 90.77% |
| Total Assessed Value | <u>\$541,893,860</u> | <u>100.00%</u> |

| Taxpayer | 2010 | |
|-------------------------------------|----------------------|------------------------------------|
| | Assessed Value | Percentage of Total Assessed Value |
| Dayton Power and Light | \$8,975,560 | 1.59% |
| Charter Woods LLC | 6,547,140 | 1.16% |
| Wright Executive Hotel | 5,642,880 | 1.00% |
| MG-Mapleview LTD | 4,221,630 | 0.75% |
| 2377 Commerce Center Blvd. | 3,617,500 | 0.64% |
| Miami Valley Publishing Co. Inc. | 3,290,870 | 0.58% |
| Campus Village Wright State LLC | 3,265,050 | 0.58% |
| NATDayton LLC | 3,254,990 | 0.58% |
| Highland Apartments | 2,967,300 | 0.53% |
| Shoppes at VG LTD | 2,714,800 | 0.48% |
| Total Principal Property Tax Payers | 44,497,720 | 7.89% |
| Total All Others | 519,655,830 | 92.11% |
| Total Assessed Value | <u>\$564,153,550</u> | <u>100.00%</u> |

Source: County Auditor

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

| Collection Year | Total Tax Levied (1) | Current Tax Collection (1) | Percent of Current Levy Collected | Delinquent Tax Collection (2) | Total Tax Collections | Percent of Total Collections To Total Levy |
|--------------------|----------------------------|----------------------------------|---|-------------------------------------|--------------------------|---|
| 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% |
| 2017 | 5,780,266 | 4,881,684 | 84.45% | 377,457 | 5,259,141 | 90.98% |
| 2018 | 5,165,347 | 4,996,240 | 96.73% | 208,663 | 5,204,903 | 100.77% |
| 2019 | 5,269,488 | 5,122,759 | 97.22% | 180,848 | 5,303,607 | 100.65% |

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.



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 | | | | | |
| 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% |
| 2017 | 9,969,146 | 1,741,136 | 11,710,282 | 1,077,302 | 0 | 12,787,584 | 1.50% |
| 2018 | 10,155,797 | 1,738,788 | 11,894,585 | 1,273,677 | 0 | 13,168,262 | 1.50% |
| 2019 | 10,424,865 | 1,993,219 | 12,418,084 | 946,404 | 0 | 13,364,488 | 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 |
| 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 |
| 2017 | 0 | 306,607 | 3,554,840 | 0 | 0 | 1,224,052 | 330,676 | 13,640 |
| 2018 | 0 | 230,000 | 4,010,555 | 0 | 0 | 1,131,498 | 319,467 | 0 |
| 2019 | 0 | 269,000 | 6,455,998 | 0 | 0 | 1,038,944 | 308,258 | 0 |

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 portion 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 |
| \$10,560,921 | \$120,000 | \$827,271 | \$91,772 | \$4,057,000 | \$285,848 | \$25,983,405 | 2.21% | \$803 |
| 9,657,268 | 115,000 | 493,521 | 75,086 | 5,577,000 | 224,744 | 24,120,918 | 1.97% | 746 |
| 9,519,777 | 110,000 | 144,178 | 58,400 | 6,536,000 | 172,031 | 22,461,880 | 2.93% | 694 |
| 15,106,946 | 100,000 | 0 | 41,714 | 100,211 | 117,313 | 20,203,905 | 2.68% | 625 |
| 14,639,732 | 90,000 | 0 | 25,028 | 100,459 | 60,514 | 17,790,872 | 2.02% | 543 |
| 14,087,518 | 80,000 | 0 | 8,342 | 2,793,746 | 1,555 | 19,390,516 | 2.19% | 583 |
| 13,525,304 | 70,000 | 0 | 1,449 | 6,588,700 | 950 | 23,097,469 | 2.59% | 690 |
| 12,953,090 | 60,000 | 0 | 0 | 6,591,852 | 324 | 25,035,081 | 2.82% | 751 |
| 12,365,876 | 50,000 | 0 | 0 | 6,828,909 | 0 | 24,936,305 | 2.80% | 746 |
| 11,763,662 | 40,000 | 0 | 0 | 6,827,540 | 0 | 26,703,402 | 2.96% | 788 |

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 |
|------|------------------------|-------------------------------|----------------|--|--------------------|
| 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 | 32,798 | 1.03% | 470.06 |
| 2014 | 14,839,849 | 1,436,955,304 | 33,039 | 1.03% | 449.16 |
| 2015 | 14,182,518 | 1,439,945,248 | 33,251 | 0.98% | 426.53 |
| 2016 | 13,525,304 | 1,448,711,648 | 33,487 | 0.93% | 403.90 |
| 2017 | 12,953,090 | 1,465,228,689 | 33,344 | 0.88% | 388.47 |
| 2018 | 12,365,876 | 1,491,327,696 | 33,433 | 0.83% | 369.87 |
| 2019 | 11,763,662 | 1,515,167,520 | 33,876 | 0.78% | 347.26 |

Source: (1) Greene County Auditor
(2) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2018 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, 2019
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 | \$269,000 | 100.00% | \$269,000 |
| Notes Payable (3) | 6,455,998 | 100.00% | 6,455,998 |
| Tax Increment Financing Revenue Bonds | 1,038,944 | 100.00% | 1,038,944 |
| OPWC Loans | 308,258 | 100.00% | 308,258 |
| Total Direct Debt | 8,072,200 | | 8,072,200 |
| Overlapping Debt: | | | |
| Greene County | 17,750,000 | 12.86% | 2,282,650 |
| Beavercreek Township | 360,375 | 2.57% | 9,262 |
| Beavercreek City School District (2) | 74,965,053 | 31.34% | 23,494,048 |
| Fairborn City School District (2) | 43,505,484 | 78.12% | 33,986,484 |
| Total Overlapping Debt | 136,580,912 | | 59,772,444 |
| Grand Total | \$144,653,112 | | \$67,844,644 |

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, 2019.
(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

| | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Assessed Valuation | \$564,153,550 | \$566,692,030 | \$524,652,220 | \$530,399,900 |
| Overall debt limitation - 10.5% of assessed valuation | 59,236,123 | 59,502,663 | 55,088,483 | 55,691,990 |
| Debt Outstanding | | | | |
| General Obligation Bonds | 11,205,000 | 10,115,000 | 9,560,082 | 15,272,286 |
| Income Tax Revenue Bonds | 4,690,000 | 3,585,000 | 2,440,000 | 1,245,000 |
| Special Assessment Bonds | 1,557,000 | 1,509,000 | 1,300,000 | 1,035,000 |
| Loans Payable | 919,043 | 568,607 | 202,578 | 41,714 |
| Bond Anticipation Notes | 6,747,762 | 7,692,762 | 8,403,500 | 715,000 |
| Total Gross Indebtedness | 25,118,805 | 23,470,369 | 21,906,160 | 18,309,000 |
| Less Exempt Debt | | | | |
| General Obligation Bonds | 10,635,000 | 9,725,000 | 9,210,082 | 14,962,286 |
| Income Tax Revenue Bonds | 4,690,000 | 3,585,000 | 2,440,000 | 1,245,000 |
| Special Assessment Bonds | 1,557,000 | 1,509,000 | 1,300,000 | 1,035,000 |
| Loans Payable | 919,043 | 568,607 | 202,578 | 41,714 |
| Bond Anticipation Notes | 6,747,762 | 7,692,762 | 8,403,500 | 715,000 |
| Total Exempt Debt | 24,548,805 | 23,080,369 | 21,556,160 | 17,999,000 |
| Net Debt Subject to Limitation | 570,000 | 390,000 | 350,000 | 310,000 |
| Less amount available in the Debt Service Fund | 295,174 | 283,373 | 237,023 | 295,670 |
| Total Net Debt Subject to Limitation | 274,826 | 106,627 | 112,977 | 14,330 |
| Legal debt margin within 10.5% limitation | <u>\$58,961,297</u> | <u>\$59,396,036</u> | <u>\$54,975,506</u> | <u>\$55,677,660</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 99.5% | 99.8% | 99.8% | 100.0% |
| Unvoted debt limitation 5.5% of assessed valuation | \$31,028,445 | \$31,168,062 | \$28,855,872 | \$29,171,995 |
| Debt Outstanding | 25,118,805 | 23,470,369 | 21,906,160 | 18,309,000 |
| Less Exempt Debt | | | | |
| General Obligation Bonds | 10,635,000 | 9,725,000 | 9,210,082 | 14,962,286 |
| Income Tax Revenue Bonds | 4,690,000 | 3,585,000 | 2,440,000 | 1,245,000 |
| Special Assessment Bonds | 1,557,000 | 1,509,000 | 1,300,000 | 1,035,000 |
| Loans Payable | 919,043 | 568,607 | 202,578 | 41,714 |
| Bond Anticipation Notes | 6,747,762 | 7,692,762 | 8,403,500 | 715,000 |
| Total Exempt Debt | 24,548,805 | 23,080,369 | 21,556,160 | 17,999,000 |
| Net Debt Subject to Limitation | 570,000 | 390,000 | 350,000 | 310,000 |
| Less amount available in the Debt Service Fund | 295,174 | 283,373 | 237,023 | 295,670 |
| Total Net Debt Subject to Limitation | 274,826 | 106,627 | 112,977 | 14,330 |
| Legal debt margin within 5.5% limitation | <u>\$30,753,619</u> | <u>\$31,061,435</u> | <u>\$28,742,895</u> | <u>\$29,157,665</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 99.1% | 99.7% | 99.6% | 100.0% |

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

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$511,398,860 | \$512,787,100 | \$516,498,230 | \$522,747,660 | \$532,651,680 | \$541,893,860 |
| 53,696,880 | 53,842,646 | 54,232,314 | 54,888,504 | 55,928,426 | 56,898,855 |
| 16,326,563 | 15,480,000 | 14,745,000 | 14,095,000 | 13,425,000 | 12,740,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 874,000 | 667,000 | 534,000 | 365,000 | 280,000 | 309,000 |
| 25,028 | 8,342 | 336,281 | 330,676 | 319,467 | 308,258 |
| 410,000 | 3,058,900 | 7,336,518 | 10,124,003 | 10,820,100 | 13,246,856 |
| 17,635,591 | 19,214,242 | 22,951,799 | 24,914,679 | 24,844,567 | 26,604,114 |
| 14,639,732 | 14,020,000 | 13,465,000 | 12,900,000 | 12,320,000 | 11,725,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 874,000 | 667,000 | 534,000 | 365,000 | 280,000 | 309,000 |
| 25,028 | 8,342 | 336,281 | 330,676 | 319,467 | 308,258 |
| 410,000 | 3,058,900 | 7,336,518 | 10,124,003 | 10,820,100 | 13,246,856 |
| 15,948,760 | 17,754,242 | 21,671,799 | 23,719,679 | 23,739,567 | 25,589,114 |
| 1,686,831 | 1,460,000 | 1,280,000 | 1,195,000 | 1,105,000 | 1,015,000 |
| 251,075 | 195,510 | 125,934 | 64,383 | 112 | 103,594 |
| 1,435,756 | 1,264,490 | 1,154,066 | 1,130,617 | 1,104,888 | 911,406 |
| \$52,261,124 | \$52,578,156 | \$53,078,248 | \$53,757,887 | \$54,823,538 | \$55,987,449 |
| 97.3% | 97.7% | 97.9% | 97.9% | 98.0% | 98.4% |
| \$28,126,937 | \$28,203,291 | \$28,407,403 | \$28,751,121 | \$29,295,842 | \$29,804,162 |
| 17,635,591 | 19,214,242 | 22,951,799 | 24,914,679 | 24,844,567 | 26,604,114 |
| 14,639,732 | 14,020,000 | 13,465,000 | 12,900,000 | 12,320,000 | 11,725,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 874,000 | 667,000 | 534,000 | 365,000 | 280,000 | 309,000 |
| 25,028 | 8,342 | 336,281 | 330,676 | 319,467 | 308,258 |
| 410,000 | 3,058,900 | 7,336,518 | 10,124,003 | 10,820,100 | 13,246,856 |
| 15,948,760 | 17,754,242 | 21,671,799 | 23,719,679 | 23,739,567 | 25,589,114 |
| 1,686,831 | 1,460,000 | 1,280,000 | 1,195,000 | 1,105,000 | 1,015,000 |
| 251,075 | 195,510 | 125,934 | 64,383 | 112 | 103,594 |
| 1,435,756 | 1,264,490 | 1,154,066 | 1,130,617 | 1,104,888 | 911,406 |
| \$26,691,181 | \$26,938,801 | \$27,253,337 | \$27,620,504 | \$28,190,954 | \$28,892,756 |
| 94.9% | 95.5% | 95.9% | 96.1% | 96.2% | 96.9% |

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 | |
| 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% |
| 2017 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 2019 | 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.

| Income Tax Revenue Bonds | | | | |
|----------------------------------|---------------------------|-----------|-------------|----------|
| Municipal Income Taxes (2) | Debt Service Requirements | | | |
| | Principal | Interest | Total | Coverage |
| \$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% |
| 0 | 0 | 0 | 0 | 0.00% |
| 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) |
|---------------|----------------|---|--------------------------------|-----------------------|
| 2010 | 32,352 | \$1,176,642 | \$36,370 | 10.7% |
| 2011 | 32,352 | 1,224,264 | 37,842 | 9.2% |
| 2012 | 32,352 | 765,998 | 23,677 | 7.5% |
| 2013 | 32,798 | 753,009 | 22,959 | 7.1% |
| 2014 | 33,039 | 880,787 | 26,659 | 4.8% |
| 2015 | 33,251 | 886,438 | 26,659 | 4.1% |
| 2016 | 33,487 | 892,730 | 26,659 | 4.1% |
| 2017 | 33,344 | 888,918 | 26,659 | 4.0% |
| 2018 | 33,433 | 891,290 | 26,659 | 4.6% |
| 2019 | 33,876 | 903,100 | 26,659 (5) | 3.3% |

Sources: (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2018 Est.)
2019: From US Census Bureau Quick Facts Estimates as of July 2019
(2) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
(3) US Census Bureau Quick Facts 2014-2018
(4) Ohio Labor Market Information
(5) Information was not available for 2019; the 2018 amount was used as an estimate

City of Fairborn, Ohio
Principal Employers
 2019 and 2010
 Schedule 16

| | | 2019 |
|------------------------------|--|------------------------|
| Employer | | Number of Employees |
| Wright Patterson AFB | | 30,000 |
| Wright State University | | 3,706 |
| Fairborn City Schools | | 799 |
| Ali Industries | | 490 |
| Peerless | | 484 |
| Kroger | | 320 |
| Ball Aerospace Technologies | | 300 |
| City of Fairborn | | 285 |
| Morris Home Furniture Co. | | 250 |
| I-supply | | 176 |
| Total Employees | | 36,810 |
| | | 2010 |
| Employer | | Number of Employees |
| Wright Patterson AFB | | 25,000 |
| Wright State University | | 2,375 |
| Teleperformance USA Inc. | | 600 |
| Fairborn City Schools | | 566 |
| Wright-Patt Credit Union (1) | | 484 |
| Ball Aerospace Technologies | | 364 |
| City of Fairborn | | 237 |
| I-supply | | 175 |
| Morris Home Furniture Co. | | 167 |
| Ali Industries | | 164 |
| Total Employees | | 30,132 |

Source: Community Development Division

(1) Denotes corporate headquarters

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

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

| Function/Program | 2010 | 2011 | 2012 | 2013 |
|---|--------------|--------------|--------------|--------------|
| General Government | | | | |
| City Council | 1.4 | 1.4 | 1.4 | 1.4 |
| Municipal Court | 29.3 | 26.2 | 26.6 | 27.1 |
| City Administration | 3.0 | 3.0 | 3.0 | 3.0 |
| Finance | 13.9 | 13.2 | 11.6 | 12.6 |
| Legal | 2.0 | 2.5 | 2.0 | 2.0 |
| Personnel | 1.0 | 1.0 | 1.0 | 1.5 |
| Engineering | 6.4 | 5.3 | 4.5 | 4.5 |
| Plant Maintenance | 8.5 | 8.4 | 8.4 | 8.4 |
| Victim Witness | 2.0 | 2.0 | 2.0 | 2.0 |
| Public Safety (1) | | | | |
| Police | | | | |
| Sworn Officers | 42.0 | 42.0 | 43.0 | 42.0 |
| Non-Sworn | 18.9 | 17.0 | 12.5 | 18.5 |
| Fire | 51.5 | 47.5 | 49.5 | 51.5 |
| Community Environment | | | | |
| Building Inspection | 5.5 | 5.4 | 4.2 | 4.3 |
| City Planner | 2.5 | 2.3 | 2.3 | 2.3 |
| Neighborhood Betterment | 2.6 | 3.5 | 3.6 | 4.1 |
| Economic Development | 0.0 | 0.0 | 0.0 | 1.5 |
| Leisure Time Activities | | | | |
| Parks and Recreation | 2.1 | 2.1 | 2.2 | 2.5 |
| Transportation and Street Repair | | | | |
| Street | 10.0 | 10.1 | 10.4 | 11.4 |
| State Highway | 1.0 | 1.0 | 1.0 | 1.0 |
| Public Health and Welfare | | | | |
| Cemetery | 1.0 | 1.0 | 1.0 | 1.0 |
| Basic Utility Service | | | | |
| Water | 16.6 | 16.7 | 15.7 | 18.7 |
| Sewer | 21.9 | 22.1 | 21.1 | 17.8 |
| Sanitation | 2.1 | 1.1 | 1.6 | 1.6 |
| Internal Service | | | | |
| ITS | 2.9 | 2.9 | 2.9 | 2.9 |
| Equipment Services | 7.1 | 6.1 | 5.1 | 6.1 |
| Total | 255.1 | 243.8 | 236.6 | 249.7 |

Source: Various City Departments

(1) Information obtained from department annual reports.

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------|-------|-------|-------|-------|-------|
| 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| 27.3 | 28.2 | 29.2 | 28.9 | 28.9 | 28.9 |
| 3.0 | 3.0 | 3.0 | 6.0 | 5.0 | 5.0 |
| 12.6 | 12.5 | 13.0 | 13.5 | 13.0 | 13.0 |
| 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 1.5 | 2.5 | 2.0 | 3.5 | 3.5 | 3.5 |
| 4.5 | 5.4 | 5.5 | 5.5 | 5.6 | 5.6 |
| 8.4 | 8.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| 2.0 | 2.0 | 3.5 | 3.5 | 3.5 | 3.5 |
| 43.0 | 46.0 | 46.0 | 48.0 | 48.0 | 48.0 |
| 19.0 | 19.0 | 23.0 | 21.0 | 21.5 | 21.5 |
| 51.5 | 54.5 | 54.0 | 54.0 | 54.5 | 56.0 |
| 4.0 | 4.0 | 4.0 | 3.5 | 4.3 | 4.3 |
| 3.5 | 4.8 | 5.3 | 5.4 | 5.4 | 5.4 |
| 4.2 | 3.2 | 2.3 | 1.7 | 1.7 | 1.9 |
| 1.5 | 2.0 | 2.2 | 2.0 | 2.0 | 1.5 |
| 2.8 | 2.6 | 2.6 | 3.0 | 3.0 | 3.0 |
| 12.4 | 11.9 | 11.9 | 11.9 | 11.9 | 11.9 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| 17.4 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 |
| 18.4 | 18.6 | 18.6 | 18.6 | 18.6 | 18.6 |
| 1.6 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| 3.7 | 3.7 | 4.0 | 4.0 | 4.0 | 4.0 |
| 6.1 | 6.1 | 6.6 | 6.6 | 6.6 | 6.6 |
| 254.2 | 264.1 | 271.8 | 275.7 | 276.0 | 277.3 |

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

| Function/Program | 2010 | 2011 | 2012 | 2013 |
|---|--------------|--------------|--------------|-------------|
| General government | | | | |
| Municipal Court | | | | |
| Criminal and Traffic Cases | 13,877 | 13,388 | 13,677 | 13,516 |
| Criminal and Traffic Trials | 85 | 62 | 76 | 70 |
| Criminal and Traffic Receipts (in 000's) | \$2,791 | \$2,747 | \$2,634 | \$2,792 |
| Civil/Small Claims Cases | 2,116 | 1,857 | 1,765 | 1,672 |
| Civil/Small Claims Trials | 965 | 853 | 819 | 429 |
| Civil/Small Claims Receipts (in 000's) | \$874 | \$896 | \$881 | \$743 |
| Public Safety | | | | |
| Police | | | | |
| Calls for Service | 35,194 | 32,601 | 34,709 | 44,920 |
| Parking Violations | 822 | 761 | 946 | 1,315 |
| Traffic Violations | 4,063 | 3,947 | 4,123 | 5,226 |
| Criminal Citations | 1,690 | 1,362 | 2,174 | 2,521 |
| Training Hours | 1,814 | 2,595 | 3,636 | 3,391 |
| Fire | | | | |
| Emergency Responses | 6,287 | 6,464 | 6,479 | 6,007 |
| Inspections | 889 | 1,300 | 1,300 | 1,156 |
| Training Hours | 1,700 | 2,300 | 2,300 | 2,064 |
| Community Environment | | | | |
| Planning and Development | | | | |
| Residential Construction Permits Issued | 1,068 | 1,125 | 1,120 | 984 |
| Estimated Value of Residential Construction | \$20,844,967 | \$25,238,437 | \$18,449,074 | \$7,012,006 |
| Commercial Construction Permits Issued | 312 | 389 | 395 | 395 |
| Estimated value of Commercial Construction | \$6,021,792 | \$5,285,194 | \$18,962,948 | \$7,012,006 |
| Parks and Recreation | | | | |
| Softball Registrations | 65 | 64 | 63 | 54 |
| Weekday Fast-Pitch Registrations (youth) (1) | 0 | 0 | 0 | 0 |
| Weekend Softball Tournaments | 55 | 72 | 72 | 61 |
| Water | | | | |
| New Connections | 49 | 62 | 68 | 63 |
| Water Main Breaks | 44 | 33 | 55 | 88 |
| Average Daily Consumption (millions of gallons) | 2.445 | 2.415 | 3.600 | 3.400 |
| Peak Daily Consumption (millions of gallons) | 4.258 | 4.012 | 4.900 | 5.110 |
| Total Water Treated (millions of gallons) | 1,203 | 1,200 | 1,359 | 1,213 |
| Average Daily Treatment (millions of gallons) | 3.3 | 3.5 | 3.7 | 3.5 |
| Hydrants Flushed | 1,353 | 1,500 | 1,503 | 1,029 |
| Sewer | | | | |
| Total Water Treated (millions of gallons) | 1,550 | 1,943 | 1,479 | 1,524 |
| Average Daily Treatment (millions of gallons) | 4.3 | 5.3 | 4.0 | 4.2 |

Source: Various City Departments

(1) New youth softball category added in 2014

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 15,187 | 14,258 | 17,124 | 18,156 | 16,920 | 15,605 |
| 70 | 47 | 52 | 58 | 65 | 29 |
| \$2,768 | \$2,801 | \$2,738 | \$3,340 | \$3,172 | \$2,674 |
| 1,914 | 1,735 | 2,036 | 1,767 | 1,919 | 2,117 |
| 600 | 115 | 133 | 85 | 49 | 100 |
| \$754 | \$822 | \$903 | \$1,045 | \$1,098 | \$1,167 |
| 49,640 | 49,038 | 52,754 | 55,603 | 56,863 | 53,834 |
| 1,439 | 1,272 | 1,444 | 1,726 | 1,361 | 1,309 |
| 4,585 | 4,302 | 4,085 | 4,955 | 4,187 | 4,326 |
| 2,640 | 2,462 | 2,410 | 3,300 | 2,975 | 2,889 |
| 4,397 | 5,084 | 6,632 | 6,312 | 5,869 | 6,302 |
| 6,479 | 6,861 | 7,018 | 7,327 | 7,043 | 7,015 |
| 1,087 | 646 | 676 | 459 | 526 | 294 |
| 2,397 | 2,831 | 6,888 | 7,346 | 5,382 | 1,245 |
| 1,114 | 1,086 | 1,452 | 1,590 | 1,386 | 1,506 |
| \$14,450,637 | \$14,299,730 | \$22,288,216 | \$25,520,088 | \$31,030,516 | \$30,790,722 |
| 433 | 457 | 461 | 513 | 320 | 429 |
| \$5,078,437 | \$19,682,700 | \$22,279,340 | \$31,474,180 | \$23,637,850 | \$68,315,719 |
| 25 | 28 | 28 | 25 | 37 | 26 |
| 26 | 21 | 16 | 16 | 24 | 20 |
| 35 | 36 | 22 | 21 | 24 | 22 |
| 93 | 40 | 68 | 55 | 80 | 111 |
| 53 | 59 | 43 | 56 | 55 | 45 |
| 3.460 | 3.290 | 3.180 | 2.360 | 3.132 | 3.133 |
| 4.310 | 4.680 | 4.340 | 3.770 | 4.780 | 4.080 |
| 1,140 | 1,200 | 1,160 | 1,020 | 1,178 | 1,137 |
| 3.5 | 3.3 | 3.2 | 2.8 | 3.3 | 3.1 |
| 1,496 | 1,482 | 1,465 | 1,465 | 1,465 | 1,472 |
| 1,479 | 1,600 | 1,508 | 1,599 | 1,700 | 1,668 |
| 4.4 | 4.4 | 4.1 | 4.4 | 4.7 | 4.7 |

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

| Function/Program | 2010 | 2011 | 2012 | 2013 |
|--|--------|--------|--------|--------|
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol units | 30 | 13 | 13 | 13 |
| Fire Stations | 4 | 4 | 4 | 4 |
| Public Works | | | | |
| Area of City (square miles) | 13.41 | 13.41 | 13.41 | 13.53 |
| Streets (lane miles) | 296.13 | 297.27 | 298.15 | 299.24 |
| Streetlights | 2,506 | 2,514 | 2,552 | 2,553 |
| Parks and Recreation | | | | |
| Number of Parks ¹ | 20 | 20 | 20 | 20 |
| Acreage | 715.00 | 712.33 | 714.33 | 714.33 |
| Playgrounds | 18 | 19 | 19 | 19 |
| Baseball/softball diamonds ² | 15 | 15 | 15 | 11 |
| Soccer/football fields | 12 | 12 | 12 | 12 |
| Number of Tennis Courts ³ | 14 | 14 | 14 | 14 |
| Basketball Courts | 0 | 0 | 0 | 0 |
| Pickle Ball Court | 0 | 0 | 0 | 0 |
| Amphitheater at Community Park | 0 | 0 | 0 | 0 |
| Fitness Court at Central Park | 0 | 0 | 0 | 0 |
| Municipal Water Department | | | | |
| Daily Treatment Capacity (millions of gallons) | 5.40 | 6.50 | 6.50 | 6.50 |
| Water Mains (miles) | 149.93 | 151.78 | 152.26 | 152.96 |
| Fire hydrants | 1,412 | 1,493 | 1,493 | 1,500 |
| Sewers | | | | |
| Daily Treatment Capacity (millions of gallons) | 6.00 | 6.00 | 6.00 | 6.00 |
| Storm Sewers (miles) | 113.16 | 113.82 | 114.60 | 114.60 |
| Sanitary Sewers (miles) | 137.52 | 138.02 | 138.65 | 138.81 |

Source: Various City Departments

¹ Includes parks, wetlands and reserves. Excludes Bikeway

² Three fields have been restored and are in service again

³ Four courts have been restored and are in service again

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------|--------|--------|--------|--------|--------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 13 | 14 | 14 | 15 | 15 | 15 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 14.01 | 14.71 | 14.73 | 14.73 | 14.73 | 14.73 |
| 299.52 | 300.00 | 301.34 | 302.11 | 304.09 | 305.12 |
| 2,553 | 2,768 | 2,781 | 2,781 | 2,797 | 2,802 |
| 20 | 20 | 19 | 21 | 21 | 21 |
| 714.33 | 719.11 | 689.25 | 773.41 | 773.41 | 781.41 |
| 20 | 20 | 20 | 21 | 21 | 21 |
| 11 | 10 | 12 | 15 | 15 | 15 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 14 | 10 | 10 | 14 | 14 | 14 |
| 0 | 0 | 0 | 13 | 13 | 13 |
| 0 | 0 | 0 | 2 | 4 | 4 |
| 0 | 0 | 0 | 1 | 1 | 1 |
| 0 | 0 | 0 | 0 | 0 | 1 |
| 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| 154.06 | 155.84 | 158.06 | 158.40 | 159.27 | 161.31 |
| 1,505 | 1,505 | 1,465 | 1,545 | 1,531 | 1,549 |
| 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 115.08 | 117.42 | 121.76 | 123.00 | 126.33 | 127.60 |
| 138.93 | 139.15 | 141.46 | 141.80 | 142.93 | 143.11 |





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