

CITY OF FAIRBORN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2017

On the Cover

Fairborn Fly Zone is the best place to view all the 26.2 mile Air Force Marathon participants not once, but twice, as they run down and back on Fairborn's Historic Downtown Main Street.



CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



FAIRBORN
A CITY IN MOTION

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



FAIRBORN
A CITY IN MOTION

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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**CITY OF FAIRBORN
FINANCE DEPARTMENT**

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June 19, 2018

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, 2017. 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 (WPAFB), the Wright Brothers Memorial, Air Force Institute of Technology and Wright Field.

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

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

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

Economic Condition and Outlook

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

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

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

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

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

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

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

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

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

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

In 2017, Wright State University created the Vishal Soin Innovation Park along Colonel Glenn Highway, adjacent to the technology based business office space in Wright Executive Park, to encourage growth in technology-based fields. The Valle Greene North development continues to see interest with its acres of shovel ready sites available adjacent to the new Kroger Market Place and the newly announced Menard's Home Improvement Center coming in 2019. The City is ready to assist businesses looking for prime locations along I-675. The City is also one of a very limited number of cities that has rail service adjacent to industrial zoned land that is also ready for development.

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

Major Initiatives

For 2017

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 \$2.2 million dollars in 2017, 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 also generated approximately \$2.2 million in 2017.

Construction of the Dayton Drive Widening project started in 2017 and is scheduled to be completed in the spring of 2018. When complete, Dayton Drive will have received full depth reconstruction, been widened from 2 lanes to 3 lanes, have its intersection with Maple Avenue realigned, signals upgraded, storm sewer retrofitted, and new curb, sidewalk, ADA ramps, and drive approaches installed. The project was partially funded by a \$504,572 ODOT Surface Transportation Program (STP) grant and a \$400,000 grant from The Ohio Public Works Commission.

The 2017 Street Program included a variety of treatments that covered 25 street segments. The treatment types included asphalt milling and resurfacing, base repairs and resurfacing, cold-in-place recycling, full depth reconstruction and resurfacing, and placement of asphalt rejuvenation liquid. Of these segments, four were thoroughfare street sections. The work covered approximately 9.7 centerline miles of streets, of which 5.3 miles were paved the year before and received a rejuvenation treatment to help extend the asphalt's useful life. This diversification of street treatments stretches paving funds while extending pavement life.

The 2018 curb-sidewalk-approach (CSA) program was awarded and construction was completed in 2017. This program replaces deteriorated concrete infrastructure between the street and right-of-way line and is performed annually prior to the street improvement program. It is built with the Americans with Disabilities Act (ADA) curb ramp program, which constructs or reconstructs ramps to ADA standards.

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, ability to meet current and future needs, and methods that can be utilized to extend the life of this important and expensive infrastructure.

The City implemented a new water meter reading system in 2017. The new system migrates reading from mobile reading of the meters to fixed based, automatic reading. Repeaters and collectors are located throughout the City and relay meter readings back to the Utility Billing Division. The new system allows for more frequent readings which will help identify potential problems such as leaks and theft of service. A customer service dashboard will come on line in 2018 to allow citizens to monitor water usage in real time, receive alerts when thresholds they set are exceeded, as well as providing other customer service enhancements.

In 2017, construction was undertaken to upgrade the Southeast Lift Station within its existing footprint. The station collects wastewater from a large portion of the City. The project almost doubled the station capacity, utilized energy efficient equipment, provided a stationary diesel generator capable of operating the station for multiple days, and eliminated a chokepoint that impeded flow leaving the station. The station is now capable of handling 5.7 million gallons per day.

Upgrades were completed to the Supervisory Control and Data Acquisition (SCADA) System that monitors and controls the water treatment, distribution and collection systems. This included replacement of a thirteen-year-old software product that did not work in the current Windows environment, correction of data collection problems, improved reporting capabilities, inclusion of new data points, ability to provide local control at the sewer collection facilities, and replacement of proprietary, hard to repair/replace equipment with units available locally off the shelf.

Parks - Several projects were completed in the Fairborn park system in 2017, including the installation of a dog park called “The Wag Pad” at Sandhill Park. Additionally, the installation of two pickleball courts were added to the inventory of recreational amenities at Fairfield Park, four of the City’s playgrounds were renovated, trails at the Garland Wetland Reserve were developed and a parking lot was installed at this new park.

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

Plant Maintenance – In 2017, renovations were undertaken to the Fairfield Cemetery building and garage which included new garage/pedestrian doors, gutters, roof repairs, and interior updates. The landscaping at the Government Center was updated to present a more aesthetically pleasing exterior to those visiting the building.

For the Future

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

Streets - The Engineering division continues to oversee the paving program for the 465 public streets in Fairborn. The vision for the future is to diversify the road treatments to most efficiently treat City streets to result in the lowest life cycle cost for the roadway system.

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

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

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

In an effort to prolong the life of the City's water towers, competitive bids were solicited to paint the two Five Points water towers. This project was moved forward in the capital plan to 2018 to accommodate the anticipated construction of the new elementary school. The renovation will feature placement of both the Skyhawk and the new City logo on the towers. Safety improvements will also be implemented as part of the project.

As outlined in the Sewer Master Plan, the City is currently implementing the solids dewatering and improvements design. Construction should be complete by the end of 2018. These improvements will increase efficiency, expand processing ability, and provide a dryer byproduct which will reduce disposal costs.

In 2018, the City will continue efforts to renew water and sewer infrastructure. This includes renewal of sewer mains through use of a no-dig lining method to address condition or access issues. Design is currently underway for projects to replace water mains on Xenia Drive, Maple Avenue, and Thornton Drive ahead of major street renovations to both update aged infrastructure and prevent disturbances to the newly repaired streets from water main breaks. Another SCADA project has been undertaken at the WRC to migrate this facility to the same software platform as the rest of the Division's assets and to address operational concerns.

Parks - In 2018, the permanent flush restrooms in the lower section of Community Park will be renovated and the installation of softball field lighting on diamond #3 at Fairfield Park is planned. The City will also be focusing on conducting a Parks and Recreation Master Plan revision in 2018 which will guide the division's future need for park improvement, staffing and recreational program development.

In 2019 and beyond, the City is preparing for the replacement of the Fairfield Park basketball and tennis courts, updating all four playgrounds in Community Park and Osborn Park, updating

the Fairfield Park concession stand, and widening the existing three-foot walking path in the upper section of Community Park to a minimum of six feet.

Plant Maintenance – Future enhancements to City structures include new gutters, windows and the brick resealed at the Government Center, as well as the replacement of carpet in the Fire Training Room and Finance offices at the Government Center; carpeting and painting of the Municipal Court; and replacement of lenses in the downtown street lights. Design is also underway for a new public works facility to replace multiple citywide facilities which are conditionally unacceptable and no longer meet the needs of the divisions they house.

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.

In 2017, the City hired its first economic development specialist exclusively for assisting business owners in the downtown area. This position's sole responsibility is to retain current businesses, as well as recruit new businesses to Main Street and parts of Broad Street. When this position was created in the summer of 2017, there were approximately twelve vacant storefronts in the downtown area. By the end of 2017, there were only two vacancies.

In addition to this new staff position, the City and the Fairborn Development Corporation (FDC) purchased the former Raush's Restaurant building at 305 W. Main Street in downtown Fairborn in 2016. The property was purchased to create the first kitchen incubator in the Miami Valley for food service manufacturing. Branded the Spark Kitchen Incubator, this facility is intended to allow someone with a food based business to start and grow their concept. In this space, a startup business can create, package, market and distribute their product regionally. When completed, Spark will house two full commercial kitchens and a co-working space in the front of the building. At capacity, Spark will be home to more than 25 small businesses that will grow into their own locations throughout Fairborn. This facility is scheduled for completion in July of 2018.

2017 also saw the opening of the first State of Ohio Department of Agriculture certified gluten free incubator bakery in area. This space is home to three gluten free startup food service operations, including The Neighborhood Nest.

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. In 2017, new basic incentive programs were created to help with marketing and branding, growing/transforming the current business and helping move the business to Fairborn.

The City has placed revitalization as a key long-term project moving forward. Specific areas of focus include all property adjacent to WPAFB including the Broad Street central business

district, Kauffman Avenue, and National Road, as well as the Colonel Glenn/Kauffman Avenue area near Wright State. 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. The largest housing development currently underway is the Bluffs on Trebein, an Inverness Homes development, consisting of 185 single-family homes with an average selling price of \$295,000. Other notable developments under construction include Ryan Homes' Waterford Landing and Redwood's Fairfield Oakes (high end "empty nester rentals"). Sales and rentals in each of these three communities has been so strong that Inverness and Redwood have already secured additional sites to continue construction in the City of Fairborn once their current projects are complete.

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 office. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

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

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

Management's Discussion and Analysis (MD&A)

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

Independent Audit

Ohio law and the City charter require an annual audit of the City's financial statements by an independent auditor. Plattenburg and Associates performed the audit for the year ended December 31, 2017, 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, 2016. This was the twenty-eighth 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, 2017 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, 2016

Christopher P. Morrell

Executive Director/CEO

City of Fairborn, Ohio

Principal Officials

December 31, 2017

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Paul Keller, Mayor

Marilyn McCauley, Deputy Mayor

Rob Hoffman, Council Member

Terry Burkert, Council Member

Colin Morrow, Council Member

Tim Steininger, Council Member

Donna Wilson, Council Member

CITY MANAGER

Rob Anderson

CITY SOLICITOR

Michael Mayer

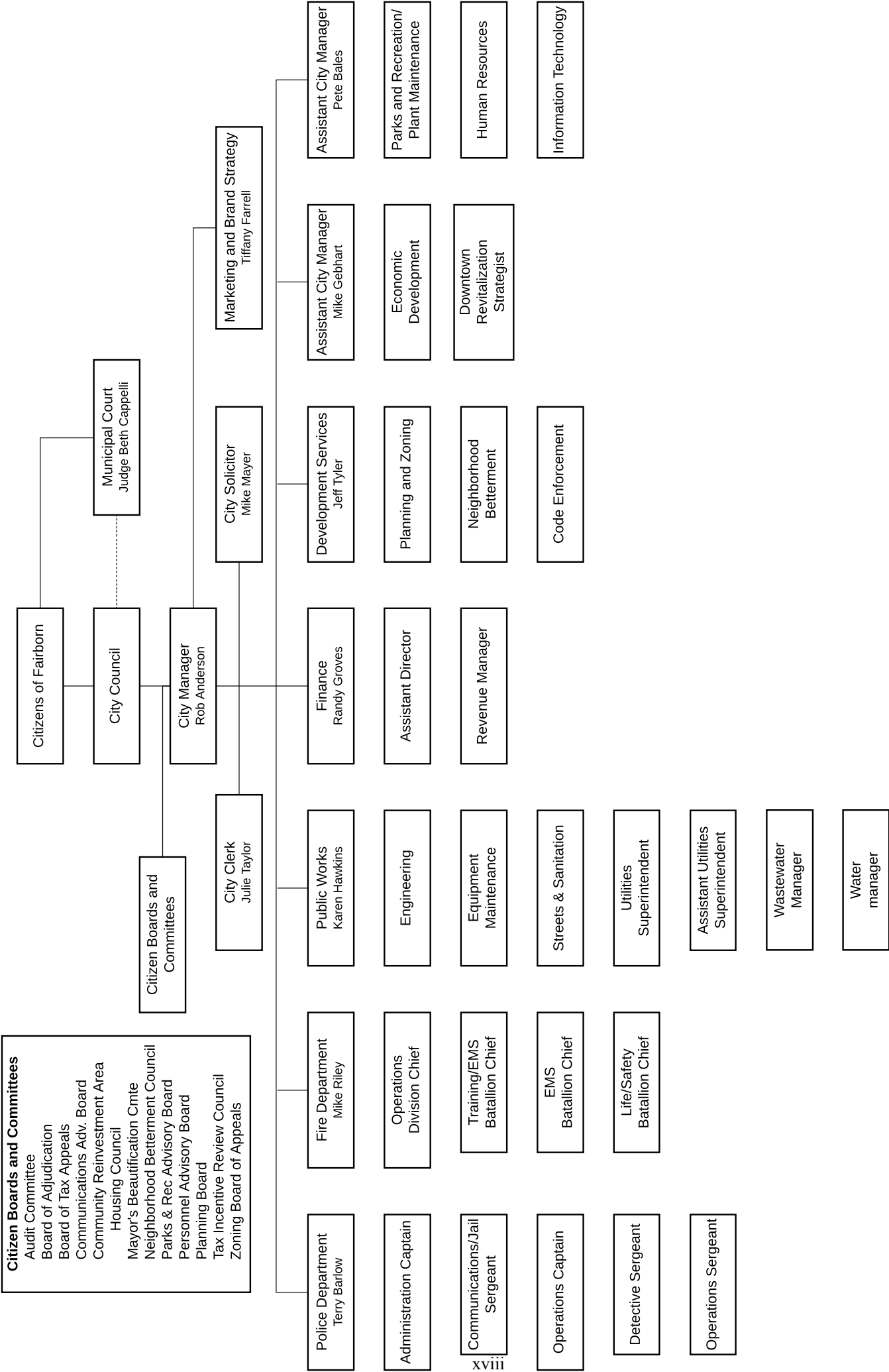
FINANCE DIRECTOR

Randall J. Groves

ASSISTANT FINANCE DIRECTOR

Annetta L. Williams

City of Fairborn Organizational Chart



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, 2017, 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, 2017, 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, Public Safety Police/Fire Fund, and Community Redevelopment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 19, 2018

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(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, 2017, providing an overview of the City's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, notes to the basic financial statements, combining financial statements and individual fund schedules to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- In accordance with the requirements of GASB 68, the City was required to report a net pension liability, which at December 31, 2017 increased to \$37.1 million. For reasons discussed below in The City as a Whole and detailed in Note 12, reporting the net pension liability distorts the financial statements causing a significant reduction to net position of governmental activities and business-type activities.
- Governmental activities net position decreased by 1.5 percent to \$63.6 million and now makes up 69 percent of the City's total net position. The net position of business-type activities increased by nearly five percent to \$28.3 million.
- Due to the effects of GASB 68 and the reporting of the net pension liability, unrestricted governmental activities net position is now reported as a negative number. Unrestricted net position of governmental activities decreased 24 percent in 2017 to negative \$12.1 million.
- Net Investment in Capital Assets for business-type activities increased 18 percent to \$13.8 million while unrestricted position of \$14.5 million was six percent less than the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(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 2017 compared to 2016.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

	Table 1 Net Position						
	Governmental Activities		Business-type Activities		Total		Change
	2017	2016	2017	2016	2017	2016	
Assets							
Current Assets	38,669,173	\$36,162,128	17,535,717	\$19,660,583	\$56,204,890	\$55,822,711	\$382,179
Capital Assets, Net	71,618,289	68,015,453	33,759,212	31,418,143	105,377,501	99,433,596	5,943,905
Total Assets	110,287,462	104,177,581	51,294,929	51,078,726	161,582,391	155,256,307	6,326,084
Deferred Outflow of Resources							
Deferred Charges on Refunding Pension	0	0	115,610	133,745	115,610	133,745	(18,135)
	8,556,762	8,574,462	1,280,235	930,339	9,836,997	9,504,801	332,196
Total Deferred Outflow of Resources	8,556,762	8,574,462	1,395,845	1,064,084	9,952,607	9,638,546	314,061
Liabilities							
Current and other liabilities	7,804,913	5,653,185	1,225,299	2,076,977	9,030,212	7,730,162	1,300,050
Long-Term Liabilities							
Net Pension Liability	33,854,051	32,308,228	3,236,375	2,411,490	37,090,426	34,719,718	2,370,708
Other Amounts	7,372,124	4,668,773	19,873,768	20,479,537	27,245,892	25,148,310	2,097,582
Total Liabilities	49,031,088	42,630,186	24,335,442	24,968,004	73,366,530	67,598,190	5,768,340
Deferred Inflow of Resources							
Property Tax	4,896,607	4,913,842	0	0	4,896,607	4,913,842	(17,235)
Revenue In Lieu Of Taxes	608,462	406,810	0	0	608,462	406,810	201,652
Pension	720,829	227,439	46,123	96,464	766,952	323,903	443,049
Total Deferred Inflows of Resources	6,225,898	5,548,091	46,123	96,464	6,272,021	5,644,555	627,466
Net Position							
Net Investment in Capital Assets	61,539,877	62,009,840	13,837,167	11,706,766	75,377,044	73,716,606	1,660,438
Restricted	14,147,204	12,289,605	0	0	14,147,204	12,289,605	1,857,599
Unrestricted (Deficit)	(12,099,843)	(9,725,679)	14,472,042	15,371,576	2,372,199	5,645,897	(3,273,698)
Total Net Position	\$63,587,238	\$64,573,766	\$28,309,209	\$27,078,342	\$91,896,447	\$91,652,108	\$244,339

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017, and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

City of Fairborn, Ohio
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For the Year Ended December 31, 2017
(Unaudited)

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

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

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

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

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

Governmental activities net position makes up 69 percent of the City's total net position. The unrestricted net position of governmental activities decreased in 2017 by \$2,374,164 while the unrestricted net position of business-type activities decreased by \$899,534. The total net position of the City as a whole increased by one-quarter of a percent to \$91.9 million.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2017 compared to 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$7,661,796	\$8,008,878	\$13,427,989	\$13,528,374	\$21,089,785	\$21,537,252
Operating Grants and Contributions	4,436,696	3,559,966	0	0	4,436,696	3,559,966
Capital Grants and Contributions	615,550	878,850	104,800	95,440	720,350	974,290
Total Program Revenues	12,714,042	12,447,694	13,532,789	13,623,814	26,246,831	26,071,508
General Revenues:						
Property Taxes	5,153,567	5,151,974	0	0	5,153,567	5,151,974
Other Local Taxes	765,467	841,911	0	0	765,467	841,911
Revenue in Lieu of Taxes	506,595	411,210	0	0	506,595	411,210
Income Taxes	13,092,693	13,437,434	0	0	13,092,693	13,437,434
Grants and Entitlements not Restricted to Specific Programs	808,185	938,320	0	0	808,185	938,320
Investment Earnings	279,331	(41,272)	65,800	75,056	345,131	33,784
Gain on Sale of Capital Assets	0	0	22,247	0	22,247	0
Other	645,871	479,006	199,256	144,623	845,127	623,629
Total General Revenues	21,251,709	21,218,583	287,303	219,679	21,539,012	21,438,262
Total Revenues	33,965,751	33,666,277	13,820,092	13,843,493	47,785,843	47,509,770
Program Expenses:						
General Government	11,633,948	10,756,212	0	0	11,633,948	10,756,212
Public Safety	17,344,091	17,290,189	0	0	17,344,091	17,290,189
Leisure Time Activities	604,199	461,178	0	0	604,199	461,178
Community Development	2,524,337	1,959,838	0	0	2,524,337	1,959,838
Transportation and Street Repair	2,084,305	3,088,426	0	0	2,084,305	3,088,426
Public Health and Welfare	119,619	122,870	0	0	119,619	122,870
Interest and Fiscal Charges	358,433	247,647	0	0	358,433	247,647
Water	0	0	4,122,433	3,945,132	4,122,433	3,945,132
Sewer	0	0	5,759,142	6,492,400	5,759,142	6,492,400
Sanitation	0	0	2,990,997	2,830,336	2,990,997	2,830,336
Total Expenses	34,668,932	33,926,360	12,872,572	13,267,868	47,541,504	47,194,228
Change in Net Position before Transfers	(703,181)	(260,083)	947,520	575,625	244,339	315,542
Transfers	(283,347)	(685,584)	283,347	685,584	0	0
Change in Net Position	(986,528)	(945,667)	1,230,867	1,261,209	244,339	315,542
Net Position January 1	64,573,766	65,519,433	27,078,342	25,817,133	91,652,108	91,336,566
Net Position December 31	\$63,587,238	\$64,573,766	\$28,309,209	\$27,078,342	\$91,896,447	\$91,652,108

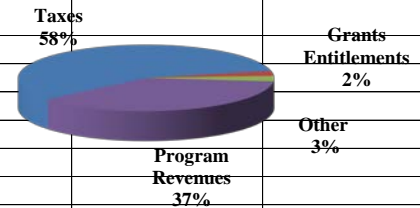
Governmental Activities

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 two percent in 2017 from an increase in operating grants and contributions, despite a \$0.6 million (seven percent) drop in charges for services and capital grants. Program revenues still make up only 37 percent of total governmental activity revenues in 2017, and thus the City relied heavily on general revenues to fund program expenses.

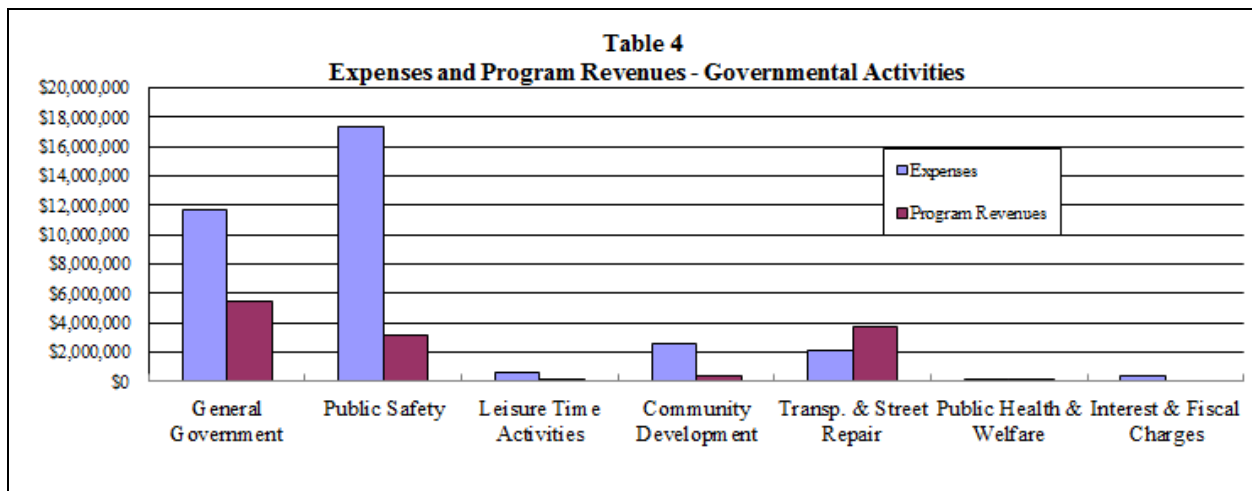
City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

General revenues fund the vast majority of governmental activities and consist mainly of property and income taxes. With income tax revenues down ever so slightly compared to the previous year and property tax revenues essentially the same, total general revenues in 2017 exceeded 2016 by the slimmest of margins. The City's reliance upon tax revenues from property owners, residents, and non-residents working in the City is demonstrated in Table 3, which shows that tax revenues account for approximately 58 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.

Table 3		
Governmental Activity Revenues		
Governmental Activity Revenues	2017	% of Total
General Revenues - Taxes	\$ 19,518,322	58%
General Revenues - Grants/Entitlements	808,185	2%
General Revenues - Other	925,202	3%
Program Revenues	12,714,042	37%
Total	\$ 33,965,751	100%



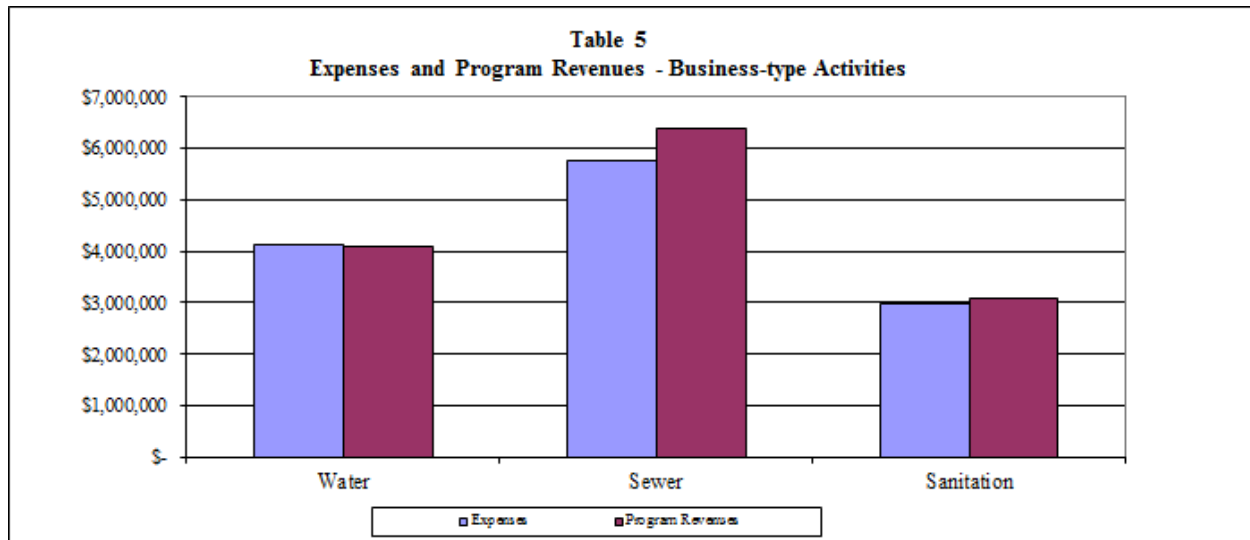
Governmental activity expenses increased two percent in 2017 and exceeded program revenues by \$22 million. Even with an infusion of a total of \$21.3 million of general revenues, the City realized a \$986,528 decrease in the net position of governmental activities to \$63.6 million at December 31, 2017. Table 4 demonstrates graphically the disparity between governmental activities expenses and the program revenues that are generated to support these services.



City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Business-type Activities

Revenue and transfers-in of the business-type activities exceeded expenses by \$1.2 million and net position rose four-and-a-half percent to \$28.3 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 2017 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 six major governmental funds including the General, Fire and EMS, Police, County Motor Vehicle Tax, Public Safety Police/Fire, and Community Redevelopment funds, which combine for 87 percent of all governmental fund balances and 81 percent of the governmental funds' total assets of \$38.1 million.

General Fund: Despite a slight reduction in income taxes General Fund revenues in 2017 were \$266,577 higher than the previous year, mostly due to an increase in court fines and investment earnings. However, General Fund expenditures and transfers were six percent greater than the previous year as personnel expenditures continued to rise as the City provided a 2.75 percent cost of living increase across the board and health insurance premiums increased 2.50 percent in 2017. As a result, expenditures and other uses exceeded revenues and other sources by \$689,728 and the General Fund balance decreased slightly to \$9.7 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

City of Fairborn, Ohio
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For the Year Ended December 31, 2017
(Unaudited)

revenue for this fund, which also relies on transfers from the General Fund that are made monthly in amounts as needed with the intent that this fund maintain a minimum cash balance. Total property tax collections in the Fire and EMS Fund were \$2.2 million in 2017, the first year of tax collections from the 4.4 mill fire and EMS renewal levy approved by 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 \$1.98 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 2017 were three percent greater than the previous year due to the increases to wages and health insurance expenditures as mentioned above. Accrued revenues exceeded accrued expenditures at year-end increasing the December 31, 2017 fund balance to \$740,922.

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 2017, the first 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 2017 totaled \$3.9 million.

Expenditures in 2017 were nearly three 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, 2017 fund balance to \$568,658.

County Motor Vehicle Tax Fund: City residents approved in November of 2014 a renewal of the ten-year 0.25 percent income tax levy for funding street maintenance, repair, and resurfacing for the years 2015 through 2024. The County Motor Vehicle Tax Fund accounts for the income tax levy revenues, which were \$2 million in 2017, as well as the intergovernmental permissive motor vehicle license tax distributions, which were \$1.4 million. Accrued revenues and transfers exceeded accrued expenditures and the fund balance rose five percent to \$2.9 million. Major projects funded in 2017 included Dayton Drive widening and Kauffman Avenue widening.

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 \$2.2 million in revenues in 2017. Accrued expenditures exceeded accrued revenues slightly and the fund balance decreased to \$1.1 million.

Community Redevelopment Fund: The Community Redevelopment Fund accounts for monies restricted for the acquisition, demolition and renovation of blighted properties. Accrued revenues and other financing sources exceeded accrued expenditures and the fund balance rose to \$0.6 million.

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For the Year Ended December 31, 2017
(Unaudited)

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 2017 to exceed revenues and other sources by \$1.9 million. The final budget for revenues was 1.8 percent less than the original budget as a mid-year analysis of revenue projections demonstrated a need to reduce budgeted income tax collections which was greater than an increase expected in court fines. The final budget for expenditures was less than the original budget by about two percent but not enough to counter the reduction to budgeted revenues. As a result, the final budget's projected net change to the fund balance decreased to negative \$2.1 million.

General Fund actual revenues were 99.6 percent of the final budget with actual investment earnings, municipal income taxes, and other revenue exceeding budget estimates which were offset by actual to budget shortfalls from other local taxes, special assessments and intergovernmental revenues. General Fund actual expenditures and other uses were \$0.9 million less than the final budgeted amounts due mostly from actual expenditures on salaries and health insurance coming in less than budgeted. As a result, the General Fund balance actually decreased by only \$1.3 million to \$8.6 million.

Transfers-out of \$7.6 million were used to subsidize various city operations including police, fire, cemetery, and victim assistance and also to provide funding for general capital outlay, maintenance, or debt associated with City building and land capital improvements including the City's portion of curb and sidewalk program and handicap ramps; storm sewer and catch basin repair; dog park at Sandhill Park; Community Park restroom renovations; and debt associated with the dispatch center improvements. Transfers to the Fire and EMS Fund (\$2.8 million) and the Police Fund (\$3.9 million) make up by far the vast majority of these transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$17,707,895	\$17,320,446	\$159,633	\$159,633	\$17,867,528	\$17,480,079
Construction in Progress	3,280,064	64,762	5,490,725	2,576,312	8,770,789	2,641,074
Buildings	12,498,886	11,722,333	15,834,534	16,083,611	28,333,420	27,805,944
Improvements Other Than Buildings	866,011	853,633	53,723	37,859	919,734	891,492
Machinery and Equipment	1,747,952	1,681,802	844,525	923,088	2,592,477	2,604,890
Vehicles	3,522,609	2,994,329	644,711	598,431	4,167,320	3,592,760
Infrastructure	31,994,872	33,378,148	10,731,361	11,039,209	42,726,233	44,417,357
Total	<u>\$71,618,289</u>	<u>\$68,015,453</u>	<u>\$33,759,212</u>	<u>\$31,418,143</u>	<u>\$105,377,501</u>	<u>\$99,433,596</u>

Total capital assets used in governmental activities are five percent greater than the previous year as an increase in construction in progress greatly exceeded reductions from depreciation. The \$3.2 million increase in construction in progress was from the Dayton Drive and Kauffman Avenue projects that were started in 2017 but not completed at year-end. The \$0.8 million increase in buildings was due to moving the additions to the police complex from construction in progress to assets. The \$0.5 million increase in vehicles was due to the acquisition of sixteen vehicles for governmental activities including a new medic unit and a new fire engine.

The net effect of all additions, deletions, and depreciation to capital assets used in business-type activities was a seven percent increase. Construction in progress in business-type activities was \$2.9 million more than in 2016. Construction in progress additions consisted of the water meter project, South East lift station upgrade, and other water, sewer and sanitation projects. The decreases to buildings, machinery and equipment and infrastructure were due to deletions and depreciation exceeding additions for the year. The increases to improvements other than buildings and vehicles are due to additions exceeding depreciation and deletions. 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 2017 and 2016 long-term debt activity of governmental and business-type activities.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 7
Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Long-term Notes	\$3,554,840	\$758,697	\$6,591,852	\$6,588,700	\$10,146,692	\$7,347,397
General Obligation Bonds	0	0	6,957,322	7,084,813	6,957,322	7,084,813
Tax Increment Financing Bonds	1,224,052	1,311,606	0	0	1,224,052	1,311,606
Refunding Bonds	0	0	5,995,768	6,440,491	5,995,768	6,440,491
Special Assessment Bonds	306,607	465,719	60,000	70,000	366,607	535,719
Loans	330,676	334,832	0	1,449	330,676	336,281
Landfill Closure and Postclosure	0	0	61,820	117,800	61,820	117,800
Capital Leases	13,640	40,212	324	950	13,964	41,162
Claims Payable	528,936	484,132	0	0	528,936	484,132
Compensated Absences Payable	1,413,373	1,273,575	206,682	175,334	1,620,055	1,448,909
Net Pension Liability						
OP&F	23,019,228	24,234,984	0	0	23,019,228	24,234,984
OPERS	10,834,823	8,073,244	3,236,375	2,411,490	14,071,198	10,484,734
Total Net Pension Liability	33,854,051	32,308,228	3,236,375	2,411,490	37,090,426	34,719,718
Totals	<u>\$41,226,175</u>	<u>\$36,977,001</u>	<u>\$23,110,143</u>	<u>\$22,891,027</u>	<u>\$64,336,318</u>	<u>\$59,868,028</u>

For the third year now, long-term obligations include the net pension liabilities per GASB 68. Governmental activity total debt increased by eleven percent in 2017 due to the issuance of new long-term notes, increases in claims payable and compensated absences payable, and increases in the net pension liability. As indicated above in The City as a Whole, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability. All other governmental activity long-term obligations were reduced in 2017. Outstanding business-type activity debt was one percent greater than the previous year primarily due to an increase in the net pension liability.

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

City of Fairborn, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$22,496,324	\$15,308,461	\$37,804,785
Property Taxes Receivable	5,070,252	0	5,070,252
Other Local Taxes Receivable	107,425	0	107,425
Municipal Income Taxes Receivable	5,151,434	0	5,151,434
Revenue in Lieu of Taxes Receivable	608,462	0	608,462
Accounts Receivable	688,294	1,572,992	2,261,286
Intergovernmental Receivable	2,167,842	0	2,167,842
Accrued Interest Receivable	64,846	0	64,846
Internal Balances	(304,444)	304,444	0
Special Assessments Receivable	373,902	60,000	433,902
Loans Receivable	500,000	0	500,000
Assets Held for Resale	1,480,704	0	1,480,704
Materials and Supplies Inventory	264,132	289,820	553,952
Nondepreciable Capital Assets	20,987,959	5,650,358	26,638,317
Depreciable Capital Assets, net	50,630,330	28,108,854	78,739,184
<i>Total Assets</i>	<u>110,287,462</u>	<u>51,294,929</u>	<u>161,582,391</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	0	115,610	115,610
	8,556,762	1,280,235	9,836,997
<i>Total Deferred Outflows of Resources</i>	<u>8,556,762</u>	<u>1,395,845</u>	<u>9,952,607</u>
Liabilities:			
Accounts Payable	706,234	360,414	1,066,648
Contracts Payable	1,063,912	299,696	1,363,608
Retainage Payable	79,515	92,864	172,379
Accrued Wages Payable	292,375	40,540	332,915
Intergovernmental Payable	294,946	30,530	325,476
Refundable Deposits	0	260,925	260,925
Accrued Interest Payable	92,874	140,330	233,204
Notes Payable	5,275,057	0	5,275,057
Long-Term Liabilities:			
Due Within One Year	1,389,537	797,006	2,186,543
Due in More Than One Year:			
Net Pension Liability (See Note 12)	33,854,051	3,236,375	37,090,426
Other Amounts	5,982,587	19,076,762	25,059,349
<i>Total Liabilities</i>	<u>49,031,088</u>	<u>24,335,442</u>	<u>73,366,530</u>
Deferred Inflows of Resources:			
Property Taxes	4,896,607	0	4,896,607
Revenue in Lieu of Taxes	608,462	0	608,462
Pension	720,829	46,123	766,952
<i>Total Deferred Inflows of Resources</i>	<u>6,225,898</u>	<u>46,123</u>	<u>6,272,021</u>
Net Position:			
Net Investment in Capital Assets	61,539,877	13,837,167	75,377,044
Restricted for Debt Service	1,900,652	0	1,900,652
Restricted for Capital Outlay	522,780	0	522,780
Restricted for Public Safety	3,379,756	0	3,379,756
Restricted for Transportation and Street Repair	5,681,173	0	5,681,173
Restricted for Community Development	2,195,598	0	2,195,598
Restricted for General Government	467,245	0	467,245
Unrestricted (Deficit)	(12,099,843)	14,472,042	2,372,199
<i>Total Net Position</i>	<u>\$63,587,238</u>	<u>\$28,309,209</u>	<u>\$91,896,447</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$11,633,948	\$5,420,422	\$37,393	\$4,026
Public Safety	17,344,091	2,011,779	1,148,422	0
Leisure Time Activities	604,199	18,251	0	1,454
Community Development	2,524,337	40,423	305,530	0
Transportation and Street Repair	2,084,305	140,092	2,945,351	610,070
Public Health and Welfare	119,619	30,829	0	0
Interest and Fiscal Charges	358,433	0	0	0
<i>Total Governmental Activities</i>	<u>34,668,932</u>	<u>7,661,796</u>	<u>4,436,696</u>	<u>615,550</u>
Business-Type Activities:				
Water	4,122,433	4,023,734	0	55,690
Sewer	5,759,142	6,317,030	0	49,110
Sanitation	2,990,997	3,087,225	0	0
<i>Total Business-Type Activities</i>	<u>12,872,572</u>	<u>13,427,989</u>	<u>0</u>	<u>104,800</u>
<i>Totals</i>	<u>\$47,541,504</u>	<u>\$21,089,785</u>	<u>\$4,436,696</u>	<u>\$720,350</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
Gain on Sale of Capital Assets
Other
Transfers

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$6,172,107)	\$0	(\$6,172,107)
(14,183,890)	0	(14,183,890)
(584,494)	0	(584,494)
(2,178,384)	0	(2,178,384)
1,611,208	0	1,611,208
(88,790)	0	(88,790)
(358,433)	0	(358,433)
(21,954,890)	0	(21,954,890)
0	(43,009)	(43,009)
0	606,998	606,998
0	96,228	96,228
0	660,217	660,217
(21,954,890)	660,217	(21,294,673)
882,524	0	882,524
2,135,521	0	2,135,521
2,135,522	0	2,135,522
765,467	0	765,467
506,595	0	506,595
8,728,866	0	8,728,866
2,181,914	0	2,181,914
2,181,913	0	2,181,913
808,185	0	808,185
279,331	65,800	345,131
0	22,247	22,247
645,871	199,256	845,127
(283,347)	283,347	0
20,968,362	570,650	21,539,012
(986,528)	1,230,867	244,339
64,573,766	27,078,342	91,652,108
\$63,587,238	\$28,309,209	\$91,896,447

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Fire and EMS Fund	Police Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$8,999,994	\$759,453	\$718,658
Receivables:			
Property Taxes	812,336	2,128,958	2,128,958
Other Local Taxes	79,637	0	0
Municipal Income Taxes	3,434,028	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	265,000	0	0
Accounts	0	188,774	0
Special Assessments	66,988	0	0
Loans	0	0	0
Accrued Interest	64,846	0	0
Intergovernmental	470,243	133,489	148,296
Assets Held for Resale	6,349	0	0
Materials and Supplies Inventory	10,700	0	12,391
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	62,138	0	0
<i>Total Assets</i>	<u>\$14,272,259</u>	<u>\$3,210,674</u>	<u>\$3,008,303</u>
Liabilities:			
Accounts Payable	\$278,817	\$25,964	\$4,891
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	36,235	0	0
Accrued Wages Payable	85,851	78,383	81,923
Intergovernmental Payable	73,038	92,898	90,384
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>473,941</u>	<u>197,245</u>	<u>177,198</u>
Deferred Inflows of Resources:			
Property Taxes	783,877	2,056,365	2,056,365
Revenue in Lieu of Taxes	0	0	0
Unavailable Revenue	3,282,870	216,142	206,082
<i>Total Deferred Inflows of Resources</i>	<u>4,066,747</u>	<u>2,272,507</u>	<u>2,262,447</u>
Fund Balances:			
Nonspendable	72,838	0	12,391
Restricted	0	740,922	556,267
Committed	0	0	0
Assigned	2,721,907	0	0
Unassigned (Deficit)	6,936,826	0	0
<i>Total Fund Balances</i>	<u>9,731,571</u>	<u>740,922</u>	<u>568,658</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$14,272,259</u>	<u>\$3,210,674</u>	<u>\$3,008,303</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Public Safety Police/Fire Fund	Community Redevelopment Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,427,681	\$1,046,909	\$1,824,335	\$4,539,128	\$21,316,158
0	0	0	0	5,070,252
0	0	0	27,788	107,425
648,703	858,703	0	210,000	5,151,434
0	0	0	608,462	608,462
0	0	0	36,235	301,235
0	0	0	499,520	688,294
0	0	0	306,914	373,902
0	0	500,000	0	500,000
0	0	0	0	64,846
674,868	0	0	740,946	2,167,842
0	0	1,390,732	83,623	1,480,704
0	0	0	150,321	173,412
0	0	0	0	62,138
<u>\$4,751,252</u>	<u>\$1,905,612</u>	<u>\$3,715,067</u>	<u>\$7,202,937</u>	<u>\$38,066,104</u>
\$76,392	\$50,551	\$31,909	\$163,230	\$631,754
1,050,192	0	13,720	0	1,063,912
79,515	0	0	0	79,515
0	0	0	265,000	301,235
0	9,357	0	23,798	279,312
0	11,695	0	16,615	284,630
0	180	21,308	12,013	33,501
0	40,000	3,048,119	2,186,938	5,275,057
<u>1,206,099</u>	<u>111,783</u>	<u>3,115,056</u>	<u>2,667,594</u>	<u>7,948,916</u>
0	0	0	0	4,896,607
0	0	0	608,462	608,462
<u>666,991</u>	<u>695,350</u>	<u>0</u>	<u>1,513,493</u>	<u>6,580,928</u>
<u>666,991</u>	<u>695,350</u>	<u>0</u>	<u>2,121,955</u>	<u>12,085,997</u>
0	0	0	150,321	235,550
2,878,162	1,098,479	600,011	3,298,276	9,172,117
0	0	0	432,467	432,467
0	0	0	633,701	3,355,608
0	0	0	(2,101,377)	4,835,449
<u>2,878,162</u>	<u>1,098,479</u>	<u>600,011</u>	<u>2,413,388</u>	<u>18,031,191</u>
<u>\$4,751,252</u>	<u>\$1,905,612</u>	<u>\$3,715,067</u>	<u>\$7,202,937</u>	<u>\$38,066,104</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017*

Total Governmental Fund Balances		\$18,031,191
<i>Amounts reported for governmental activities in the Statement of Net Position is different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Capital Assets:		
Land	17,707,895	
Construction in Progress	3,280,064	
Buildings	21,069,592	
Improvements Other Than Buildings	2,785,444	
Machinery and Equipment	5,693,919	
Vehicles	8,021,602	
Infrastructure	79,270,666	
Accumulated Depreciation	<u>(66,210,893)</u>	
Total		71,618,289
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	162,207	
Capital Assets	(243,939)	
Deferred Outflows - Pension	(389,638)	
Deferred Inflows - Pension	6,128	
Net Pension Liability	984,985	
Capital Lease Payable	3,544	
Compensated Absences Payable	<u>58,666</u>	
Total		581,953
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.		(304,444)
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	238,020	
Other Local Taxes	1,226	
Municipal Income Taxes	4,171,268	
Intergovernmental	1,257,319	
Special Assessments	373,902	
Accounts	509,580	
Accrued Interest	<u>29,613</u>	
Total		6,580,928

(continued)

City of Fairborn, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017
Continued

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

Deferred Outflows - Pension	8,556,762	
Net Pension Liability	(33,854,051)	
Deferred Inflows - Pension	(720,829)	

Total		(26,018,118)
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In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.		(59,373)
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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	(3,545,000)	
Tax Increment Financing Revenue Bonds	(1,195,000)	
Special Assessment Bonds	(305,000)	
Capital Leases Payable	(13,640)	
OPWC Loans	(330,676)	
Compensated Absences Payable	(1,413,373)	
Premium on Debt Issued	(40,499)	

Total		(6,843,188)
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<i>Net Position of Governmental Activities</i>		<u><u>\$63,587,238</u></u>
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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, 2017

	General Fund	Fire and EMS Fund	Police Fund
Revenues:			
Property Taxes	\$824,924	\$2,151,880	\$2,151,881
Other Local Taxes	551,125	0	0
Municipal Income Taxes	8,677,761	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses, and Permits	1,533,375	1,735	175
Charges for Services	3,359,748	1,978,955	45,542
Investment Earnings	250,643	0	0
Intergovernmental	939,157	281,202	576,411
Special Assessments	28,932	0	0
Contributions and Donations	0	0	0
Other	349,487	49,014	62,498
<i>Total Revenues</i>	<u>16,515,152</u>	<u>4,462,786</u>	<u>2,836,507</u>
Expenditures:			
Current:			
General Government	7,540,022	0	0
Public Safety	0	6,902,680	6,830,059
Leisure Time Activities	295,988	0	0
Community Development	1,441,276	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	302,249	15,335	8,763
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	13,176	6,489	0
Interest and Fiscal Charges	73,076	292	0
<i>Total Expenditures</i>	<u>9,665,787</u>	<u>6,924,796</u>	<u>6,838,822</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,849,365</u>	<u>(2,462,010)</u>	<u>(4,002,315)</u>
Other Financing Sources (Uses):			
Notes Issued	0	0	0
Proceeds from the Sale of Capital Assets	0	0	0
Premium on Debt Issued	0	0	0
Transfers-In	1,200	2,756,000	3,942,600
Transfers-Out	(7,540,293)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,539,093)</u>	<u>2,756,000</u>	<u>3,942,600</u>
<i>Net Change in Fund Balances</i>	(689,728)	293,990	(59,715)
<i>Fund Balances at Beginning of Year</i>	<u>10,421,299</u>	<u>446,932</u>	<u>628,373</u>
<i>Fund Balances at End of Year</i>	<u><u>\$9,731,571</u></u>	<u><u>\$740,922</u></u>	<u><u>\$568,658</u></u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax Fund	Public Safety Police/Fire Fund	Community Redevelopment Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$0	\$0	\$5,128,685
0	0	0	213,116	764,241
2,037,134	2,169,133	0	132,000	13,016,028
0	0	0	506,595	506,595
44,172	0	0	595,705	2,175,162
0	0	29,670	200,671	5,614,586
30,590	0	0	38,280	319,513
1,397,409	0	0	1,824,117	5,018,296
0	0	0	165,207	194,139
0	4,000	0	15,076	19,076
26,476	34,407	5,761	118,228	645,871
3,535,781	2,207,540	35,431	3,808,995	33,402,192
0	0	0	456,490	7,996,512
0	1,419,198	0	443,166	15,595,103
0	0	0	3,916	299,904
0	0	540,297	371,813	2,353,386
661,229	0	0	1,189,719	1,850,948
0	0	0	117,643	117,643
2,870,682	2,690,640	11,678	678,459	6,577,806
0	0	0	315,411	315,411
4,156	210,000	0	791,515	1,025,336
1,002	7,541	45,289	210,159	337,359
3,537,069	4,327,379	597,264	4,578,291	36,469,408
(1,288)	(2,119,839)	(561,833)	(769,296)	(3,067,216)
0	2,040,000	1,000,000	505,000	3,545,000
0	0	0	5,836	5,836
0	16,650	11,020	4,344	32,014
134,756	0	250,000	639,220	7,723,776
0	0	0	(466,830)	(8,007,123)
134,756	2,056,650	1,261,020	687,570	3,299,503
133,468	(63,189)	699,187	(81,726)	232,287
2,744,694	1,161,668	(99,176)	2,495,114	17,798,904
\$2,878,162	\$1,098,479	\$600,011	\$2,413,388	\$18,031,191

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, 2017*

Net Change in Fund Balances - Total Governmental Funds	\$232,287
---	------------------

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	6,671,078
Capital assets donated by developers	610,070
Depreciation	<u>(3,643,355)</u>

Excess of Capital Outlay and Capital Contributions over Depreciation Expense	3,637,793
--	-----------

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	(5,836)
Loss on Disposal of Capital Assets	<u>(29,121)</u>

Total	(34,957)
-------	----------

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	757,515
Tax Increment Financing Revenue Bonds	85,000
Special Assessment Bonds	159,000
Loans Payable	4,156
Capital Leases Payable	<u>26,572</u>

Total	1,032,243
-------	-----------

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	(137,964)
Capital Assets	(38,537)
Compensated Absences	5,281
Capital Lease Payable	(6,907)
Contractually Required Contributions for Pension	(76,860)
Pension Expense	212,875
Interest and Fiscal Charges	310
Adjustment to business type activities	<u>35,224</u>

Total	(6,578)
-------	---------

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	24,882
Other Local Taxes	1,226
Municipal Income Taxes	76,665
Investment Earnings	(1,187)
Charges for Services	(230,079)
Intergovernmental	167,988
Special Assessments	<u>(92,012)</u>

Total	(\$52,517)
-------	------------

(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, 2017
(Continued)*

<hr/> <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.		
Notes	(\$3,545,000)	
Premium on Debt	<u>(32,014)</u>	
Total		(3,577,014)
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		2,847,874
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.		(4,904,787)
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	(46,786)	
Amortization of Premium	26,022	
Interest and Fiscal Charges of Internal Service Funds	<u>(310)</u>	
Total		(21,074)
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>(139,798)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$986,528)</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$842,557	\$825,907	\$824,924	(\$983)
Other Local Taxes	732,234	692,234	616,961	(75,273)
Municipal Income Taxes	9,270,661	8,660,661	8,661,701	1,040
Fines, Licenses and Permits	1,261,732	1,517,732	1,514,413	(3,319)
Charges for Services	3,359,814	3,369,263	3,359,748	(9,515)
Investment Earnings	200,000	200,000	227,500	27,500
Intergovernmental	1,013,801	1,010,522	1,000,899	(9,623)
Special Assessments	29,686	29,686	28,932	(754)
Other	160,122	254,222	263,283	9,061
<i>Total Revenues</i>	<u>16,870,607</u>	<u>16,560,227</u>	<u>16,498,361</u>	<u>(61,866)</u>
Expenditures:				
Current:				
General Government	8,087,874	8,285,307	7,735,240	550,067
Leisure Time Activities	335,505	329,173	324,026	5,147
Community Development	1,826,010	1,619,034	1,525,050	93,984
Capital Outlay	315,909	525,299	511,375	13,924
Debt Service:				
Interest and Fiscal Charges	514,500	93,300	74,970	18,330
<i>Total Expenditures</i>	<u>11,079,798</u>	<u>10,852,113</u>	<u>10,170,661</u>	<u>681,452</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,790,809</u>	<u>5,708,114</u>	<u>6,327,700</u>	<u>619,586</u>
Other Financing Sources (Uses):				
Advances-In	0	154,000	154,000	0
Advances-Out	(150,000)	(340,000)	(215,000)	125,000
Transfers-Out	(7,584,337)	(7,630,166)	(7,537,820)	92,346
<i>Total Other Financing Sources (Uses)</i>	<u>(7,734,337)</u>	<u>(7,816,166)</u>	<u>(7,598,820)</u>	<u>217,346</u>
<i>Net Change in Fund Balance</i>	<u>(1,943,528)</u>	<u>(2,108,052)</u>	<u>(1,271,120)</u>	<u>836,932</u>
<i>Fund Balance at Beginning of Year</i>	<u>9,194,578</u>	<u>9,194,578</u>	<u>9,194,578</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>712,159</u>	<u>712,159</u>	<u>712,159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$7,963,209</u>	<u>\$7,798,685</u>	<u>\$8,635,617</u>	<u>\$836,932</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$2,203,343	\$2,151,880	\$2,151,880	\$0
Fines, Licenses and Permits	1,200	1,200	1,735	535
Charges for Services	2,016,023	1,911,723	1,953,927	42,204
Intergovernmental	292,450	281,313	281,202	(111)
Other	0	47,000	49,013	2,013
<i>Total Revenues</i>	<u>4,513,016</u>	<u>4,393,116</u>	<u>4,437,757</u>	<u>44,641</u>
Expenditures:				
Current:				
Public Safety	7,163,836	7,131,700	7,007,302	124,398
Capital Outlay	0	32,210	32,203	7
<i>Total Expenditures</i>	<u>7,163,836</u>	<u>7,163,910</u>	<u>7,039,505</u>	<u>124,405</u>
<i>Excess of Revenues Under Expenditures</i>	(2,650,820)	(2,770,794)	(2,601,748)	169,046
Other Financing Sources:				
Transfers-In	<u>2,400,000</u>	<u>2,756,000</u>	<u>2,756,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(250,820)	(14,794)	154,252	169,046
<i>Fund Balance at Beginning of Year</i>	274,226	274,226	274,226	0
<i>Prior Year Encumbrances Appropriated</i>	<u>178,503</u>	<u>178,503</u>	<u>178,503</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$201,909</u>	<u>\$437,935</u>	<u>\$606,981</u>	<u>\$169,046</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$2,203,343	\$2,151,866	\$2,151,881	\$15
Fines, Licenses and Permits	1,200	200	175	(25)
Charges for Services	41,423	49,123	45,542	(3,581)
Intergovernmental	573,106	565,083	561,604	(3,479)
Other	4,300	57,100	62,498	5,398
<i>Total Revenues</i>	<i>2,823,372</i>	<i>2,823,372</i>	<i>2,821,700</i>	<i>(1,672)</i>
Expenditures:				
Current:				
Public Safety	7,219,799	7,191,450	6,915,965	275,485
Capital Outlay	0	18,410	18,402	8
<i>Total Expenditures</i>	<i>7,219,799</i>	<i>7,209,860</i>	<i>6,934,367</i>	<i>275,493</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(4,396,427)</i>	<i>(4,386,488)</i>	<i>(4,112,667)</i>	<i>273,821</i>
Other Financing Sources:				
Transfers-In	4,299,000	4,299,000	3,942,600	(356,400)
<i>Net Change in Fund Balance</i>	<i>(97,427)</i>	<i>(87,488)</i>	<i>(170,067)</i>	<i>(82,579)</i>
<i>Fund Balance at Beginning of Year</i>	<i>719,761</i>	<i>719,761</i>	<i>719,761</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>86,728</i>	<i>86,728</i>	<i>86,728</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$709,062</i>	<i>\$719,001</i>	<i>\$636,422</i>	<i>(\$82,579)</i>

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal Income Taxes	\$2,317,665	\$2,185,665	\$2,033,131	(\$152,534)
Fines, Licenses and Permits	50,000	44,200	44,172	(28)
Investment Earnings	5,000	26,900	30,590	3,690
Intergovernmental	2,892,220	921,658	921,670	12
Other	22,569	22,569	26,476	3,907
<i>Total Revenues</i>	<u>5,287,454</u>	<u>3,200,992</u>	<u>3,056,039</u>	<u>(144,953)</u>
Expenditures:				
Current:				
Transportation and Street Repair	1,355,984	1,208,321	1,163,648	44,673
Capital Outlay	5,227,049	3,664,584	3,649,713	14,871
Debt Service:				
Principal Retirements	0	4,200	4,156	44
<i>Total Expenditures</i>	<u>6,583,033</u>	<u>4,877,105</u>	<u>4,817,517</u>	<u>59,588</u>
<i>Net Change in Fund Balance</i>	<u>(1,295,579)</u>	<u>(1,676,113)</u>	<u>(1,761,478)</u>	<u>(85,365)</u>
<i>Fund Balance at Beginning of Year</i>	<u>2,218,081</u>	<u>2,218,081</u>	<u>2,218,081</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>951,669</u>	<u>951,669</u>	<u>951,669</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,874,171</u>	<u>\$1,493,637</u>	<u>\$1,408,272</u>	<u>(\$85,365)</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, 2017

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$2,317,665	\$2,165,065	\$2,165,130	\$65
Contributions and Donations	90,000	4,000	4,000	0
Other	22,908	27,908	34,407	6,499
<i>Total Revenues</i>	<u>2,430,573</u>	<u>2,196,973</u>	<u>2,203,537</u>	<u>6,564</u>
Expenditures:				
Current:				
Public Safety	1,304,521	1,258,895	1,217,629	41,266
Capital Outlay	3,204,974	3,690,930	3,686,942	3,988
Debt Service:				
Principal Retirement	250,000	250,000	250,000	0
Interest and Fiscal Charges	10,400	11,950	7,740	4,210
<i>Total Debt Service</i>	<u>260,400</u>	<u>261,950</u>	<u>257,740</u>	<u>4,210</u>
<i>Total Expenditures</i>	<u>4,769,895</u>	<u>5,211,775</u>	<u>5,162,311</u>	<u>49,464</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,339,322)</u>	<u>(3,014,802)</u>	<u>(2,958,774)</u>	<u>56,028</u>
Other Financing Sources:				
Notes Issued	1,730,000	2,080,000	2,080,000	0
Premium on Debt Issued	15,500	19,000	16,650	(2,350)
<i>Total Other Financing Sources</i>	<u>1,745,500</u>	<u>2,099,000</u>	<u>2,096,650</u>	<u>(2,350)</u>
<i>Net Change in Fund Balance</i>	<u>(593,822)</u>	<u>(915,802)</u>	<u>(862,124)</u>	<u>53,678</u>
<i>Fund Balance at Beginning of Year</i>	<u>858,971</u>	<u>858,971</u>	<u>858,971</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>346,609</u>	<u>346,609</u>	<u>346,609</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$611,758</u>	<u>\$289,778</u>	<u>\$343,456</u>	<u>\$53,678</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)
Community Redevelopment Fund
For the Year Ended December 31, 2017

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$0	\$29,670	\$29,670	\$0
Other	0	0	5,761	5,761
<i>Total Revenues</i>	<u>0</u>	<u>29,670</u>	<u>35,431</u>	<u>5,761</u>
Expenditures:				
Current:				
Community Development	790,255	1,915,435	1,906,832	8,603
Capital Outlay	296,297	923,401	922,206	1,195
Debt Service:				
Principal Retirement	1,525,000	2,025,000	2,025,000	0
Interest and Fiscal Charges	38,317	60,445	60,445	0
<i>Total Debt Service</i>	<u>1,563,317</u>	<u>2,085,445</u>	<u>2,085,445</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,649,869</u>	<u>4,924,281</u>	<u>4,914,483</u>	<u>9,798</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,649,869)</u>	<u>(4,894,611)</u>	<u>(4,879,052)</u>	<u>15,559</u>
Other Financing Sources:				
Notes Issued	1,525,000	4,051,872	4,025,000	(26,872)
Premium on Debt Issued	13,300	46,250	41,398	(4,852)
Transfers-In	250,000	250,000	250,000	0
<i>Total Other Financing Sources</i>	<u>1,788,300</u>	<u>4,348,122</u>	<u>4,316,398</u>	<u>(31,724)</u>
<i>Net Change in Fund Balance</i>	<u>(861,569)</u>	<u>(546,489)</u>	<u>(562,654)</u>	<u>(16,165)</u>
<i>Fund Balance at Beginning of Year</i>	<u>521,203</u>	<u>521,203</u>	<u>521,203</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>361,570</u>	<u>361,570</u>	<u>361,570</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$21,204</u>	<u>\$336,284</u>	<u>\$320,119</u>	<u>(\$16,165)</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,329,967	\$9,997,994	\$719,575	\$15,047,536	\$1,118,028
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	86,975	86,975	86,975	260,925	0
Accounts Receivable	334,967	642,907	595,118	1,572,992	0
Special Assessments Receivable	0	60,000	0	60,000	0
Materials and Supplies Inventory	200,276	89,544	0	289,820	90,720
<i>Total Current Assets</i>	<u>4,952,185</u>	<u>10,877,420</u>	<u>1,401,668</u>	<u>17,231,273</u>	<u>1,208,748</u>
Non-current Assets					
Nondepreciable Capital Assets	1,196,477	4,453,881	0	5,650,358	2,089
Depreciable Capital Assets, Net	10,714,214	17,389,597	5,043	28,108,854	241,850
<i>Total Non-current Assets</i>	<u>11,910,691</u>	<u>21,843,478</u>	<u>5,043</u>	<u>33,759,212</u>	<u>243,939</u>
<i>Total Assets</i>	<u>16,862,876</u>	<u>32,720,898</u>	<u>1,406,711</u>	<u>50,990,485</u>	<u>1,452,687</u>
Deferred Outflows of Resources:					
Deferred Charge on Refunding	45,087	70,523	0	115,610	0
Pension	612,286	612,286	55,663	1,280,235	389,638
<i>Total Deferred Outflows of Resources</i>	<u>657,373</u>	<u>682,809</u>	<u>55,663</u>	<u>1,395,845</u>	<u>389,638</u>
Liabilities:					
Current Liabilities					
Accounts Payable	77,278	102,111	181,025	360,414	74,480
Contracts Payable	27,812	271,884	0	299,696	0
Retainage Payable	0	92,864	0	92,864	0
Claims Payable	0	0	0	0	141,930
Accrued Wages Payable	19,483	18,807	2,250	40,540	13,063
Intergovernmental Payable	13,840	15,089	1,601	30,530	10,316
Accrued Interest Payable	52,010	88,320	0	140,330	0
General Obligation Bonds Payable	239,100	340,900	0	580,000	0
Landfill Postclosure Costs Payable	0	0	61,820	61,820	0
Capital Lease Payable	324	0	0	324	3,544
Special Assessment Bonds Payable	0	10,000	0	10,000	0
Compensated Absences Payable	55,387	83,930	5,545	144,862	42,776
<i>Total Current Liabilities</i>	<u>\$485,234</u>	<u>\$1,023,905</u>	<u>\$252,241</u>	<u>\$1,761,380</u>	<u>\$286,109</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017
(Continued)

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Long-Term Liabilities					
Refundable Deposits	\$86,975	\$86,975	\$86,975	\$260,925	\$0
Notes Payable	2,858,213	3,733,639	0	6,591,852	0
General Obligation Bonds Payable	3,304,965	9,068,125	0	12,373,090	0
Special Assessment Bonds Payable	0	50,000	0	50,000	0
Claims Payable	0	0	0	0	387,006
Compensated Absences Payable	13,822	47,172	826	61,820	15,890
Net Pension Liability	1,547,831	1,547,831	140,713	3,236,375	984,985
<i>Total Long-Term Liabilities</i>	<u>7,811,806</u>	<u>14,533,742</u>	<u>228,514</u>	<u>22,574,062</u>	<u>1,387,881</u>
<i>Total Liabilities</i>	<u>8,297,040</u>	<u>15,557,647</u>	<u>480,755</u>	<u>24,335,442</u>	<u>1,673,990</u>
Deferred Inflows of Resources:					
Pension	<u>9,632</u>	<u>35,616</u>	<u>875</u>	<u>46,123</u>	<u>6,128</u>
Net Position:					
Net Investment in Capital Assets	5,530,974	8,301,150	5,043	13,837,167	240,395
Unrestricted (Deficit)	<u>3,682,603</u>	<u>9,509,294</u>	<u>975,701</u>	<u>14,167,598</u>	<u>(78,188)</u>
<i>Total Net Position</i>	<u><u>\$9,213,577</u></u>	<u><u>\$17,810,444</u></u>	<u><u>\$980,744</u></u>	<u>28,004,765</u>	<u><u>\$162,207</u></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>304,444</u>	
Net Position of Business-Type Activities				<u><u>\$28,309,209</u></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, 2017

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Funds
Operating Revenues:					
Charges for Services	\$4,023,734	\$6,317,030	\$3,087,225	\$13,427,989	\$4,938,590
Other	179,305	19,035	916	199,256	339,378
<i>Total Operating Revenues</i>	<u>4,203,039</u>	<u>6,336,065</u>	<u>3,088,141</u>	<u>13,627,245</u>	<u>5,277,968</u>
Operating Expenses:					
Personal Services	1,519,968	1,555,257	176,837	3,252,062	1,093,469
Contractual Services	1,650,905	2,513,283	2,773,978	6,938,166	996,684
Materials and Supplies	197,548	202,276	7,412	407,236	693,178
Claims	0	0	0	0	2,583,562
Depreciation	595,780	967,312	25,844	1,588,936	54,735
<i>Total Operating Expenses</i>	<u>3,964,201</u>	<u>5,238,128</u>	<u>2,984,071</u>	<u>12,186,400</u>	<u>5,421,628</u>
<i>Operating Income(Loss)</i>	<u>238,838</u>	<u>1,097,937</u>	<u>104,070</u>	<u>1,440,845</u>	<u>(143,660)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	14,074	51,726	0	65,800	6,006
Interest and Fiscal Charges	(129,524)	(421,915)	0	(551,439)	(310)
Gain on Sale of Capital Assets	0	0	22,247	22,247	0
Loss on Disposal of Capital Assets	(11,992)	(87,517)	0	(99,509)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(127,442)</u>	<u>(457,706)</u>	<u>22,247</u>	<u>(562,901)</u>	<u>5,696</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>111,396</u>	<u>640,231</u>	<u>126,317</u>	<u>877,944</u>	<u>(137,964)</u>
Capital Contributions	55,690	49,110	0	104,800	0
Transfers - In	13,379	269,968	0	283,347	0
<i>Change in Net Position</i>	<u>180,465</u>	<u>959,309</u>	<u>126,317</u>	<u>1,266,091</u>	<u>(137,964)</u>
<i>Net Position at Beginning of Year</i>	<u>9,033,112</u>	<u>16,851,135</u>	<u>854,427</u>		<u>300,171</u>
<i>Net Position at End of Year</i>	<u>\$9,213,577</u>	<u>\$17,810,444</u>	<u>\$980,744</u>		<u>\$162,207</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i>				<u>(35,224)</u>	
<i>Change in net position of business-type activities</i>				<u>\$1,230,867</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, 2017

	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	\$4,062,832	\$6,359,408	\$3,046,471	\$13,468,711	\$0
Cash Received From Interfund Services Provided	0	0	0	0	4,938,590
Cash Received From Other Operating Revenues	179,305	19,035	916	199,256	18,147
Cash Payments for Claims	0	0	0	0	(2,538,758)
Cash Payments for Employee Services and Benefits	(1,285,213)	(1,344,710)	(159,064)	(2,788,987)	(949,977)
Cash Payments to Suppliers	(1,933,908)	(2,673,600)	(2,858,131)	(7,465,639)	(1,337,113)
<i>Net Cash Provided by Operating Activities</i>	<u>1,023,016</u>	<u>2,360,133</u>	<u>30,192</u>	<u>3,413,341</u>	<u>130,889</u>
Cash Flows from Noncapital Financing Activities:					
Transfers - In	<u>13,379</u>	<u>283,198</u>	<u>0</u>	<u>296,577</u>	<u>0</u>
Cash Flows Used for Capital and Related Financing Activities:					
Acquisition of Capital Assets	(694,957)	(3,319,636)	(223,810)	(4,238,403)	(93,272)
Note Proceeds	2,852,603	3,726,400	0	6,579,003	0
Note Premiums	22,441	28,956	0	51,397	0
Notes Principal Payments	(3,550,879)	(3,996,368)	0	(7,547,247)	0
Notes Interest Payments	(49,991)	(54,057)	0	(104,048)	0
General Obligation Bond Principal Payments	0	(130,000)	0	(130,000)	0
General Obligation Bond Interest Payments	0	(302,026)	0	(302,026)	0
Refunding Bonds Principal Payments	(237,150)	(197,850)	0	(435,000)	0
Refunding Bonds Interest Payments	(91,016)	(60,822)	0	(151,838)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(3,230)	0	(3,230)	0
Loans Payable Principal Payments	(1,449)	0	0	(1,449)	0
Capital Lease Principal Payments	(626)	0	0	(626)	(6,907)
Capital Lease Interest Payments	(28)	0	0	(28)	(310)
Capital Contributions by Customers	<u>55,690</u>	<u>49,110</u>	<u>0</u>	<u>104,800</u>	<u>0</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,695,362)</u>	<u>(4,269,523)</u>	<u>(223,810)</u>	<u>(6,188,695)</u>	<u>(100,489)</u>
Cash Flows from Investing Activities:					
Interest	<u>14,074</u>	<u>48,496</u>	<u>0</u>	<u>62,570</u>	<u>6,006</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(644,893)</u>	<u>(1,577,696)</u>	<u>(193,618)</u>	<u>(2,416,207)</u>	<u>36,406</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>5,061,835</u>	<u>11,662,665</u>	<u>1,000,168</u>	<u>17,724,668</u>	<u>1,081,622</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$4,416,942</u></u>	<u><u>\$10,084,969</u></u>	<u><u>\$806,550</u></u>	<u><u>\$15,308,461</u></u>	<u><u>\$1,118,028</u></u>

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(Continued)

	Enterprise Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$238,838	\$1,097,937	\$104,070	\$1,440,845	(\$143,660)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	595,780	967,312	25,844	1,588,936	54,735
Landfill Closure and Postclosure Costs	0	0	(55,980)	(55,980)	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	6,123	9,403	(73,729)	(58,203)	0
(Increase) in Materials and Supplies Inventory	(17,217)	(30,009)		(47,226)	2,169
Decrease in Deferred Outflows of Resources - Pension	199,805	199,807	18,165	417,777	127,148
Increase (Decrease) in Accounts Payable	(28,352)	(68,217)	7,669	(88,900)	29,349
Increase in Claims Payable	0	0	0	0	44,804
Increase in Contracts Payable	7,071	94,307	0	101,378	0
Increase (Decrease) in Retainage Payable	(18,527)	78,168	0	59,641	0
Increase in Accrued Wages Payable	1,980	2,046	300	4,326	942
Increase (Decrease) in Intergovernmental Payable	1,135	(2,408)	166	(1,107)	1,254
Increase in Refundable Deposits Payable	4,545	4,545	4,545	13,635	0
Increase (Decrease) in Compensated Absences Payable	17,902	15,569	(2,123)	31,348	5,281
Increase in Net Pension Liability	34,649	34,647	3,149	72,445	22,051
Decrease in Deferred Inflows of Resources - Pension	(20,716)	(42,974)	(1,884)	(65,574)	(13,184)
Net Cash Provided by Operating Activities	<u>\$1,023,016</u>	<u>\$2,360,133</u>	<u>\$30,192</u>	<u>\$3,413,341</u>	<u>\$130,889</u>
Noncash Capital Financing Activities					
See accompanying notes to the basic financial statements					

City of Fairborn, Ohio
Statement of Fiduciary Net Position
Agency Fund
December 31, 2017

Assets:

Cash and Cash Equivalents in Segregated Accounts	<u>\$270,267</u>
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Liabilities:

Undistributed Monies	<u>\$270,267</u>
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See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Description Of The City And Reporting Entity

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

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

Reporting Entity

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Note 2 – Summary Of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

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.

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.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

charge on refunding and pension reported in the government-wide statement of net position. The deferred outflows of resources related to pension are explained in Note 12. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, charges for services, and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 20.

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

Expenses/Expenditures

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

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

Pensions

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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. 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 2017, the City invested in Federal Home Loan Bank Serial/Consolidation Bonds, Federal Home Loan Bank Mortgage Bonds, Federal Home Loan Bank Mortgage Notes, and Federal National Mortgage Association Bonds. Investments are reported at fair value which is based on quoted market prices.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue, including increases in the fair market value of investments, credited to the General Fund during fiscal year 2017 amounted to \$250,643, which includes \$172,568 assigned from other funds.

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

Assets Held for Resale

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

Interfund Receivables/Payables

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

Materials and Supplies Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 Net Position. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Deferred Charge on Refunding

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

Fund Balance

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund and General Capital Improvements Fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority by ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The assigned fund balance in the General Fund includes future appropriations to cover a gap between estimated revenue and appropriations in the 2018 appropriation budget.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Net Position

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

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

Interfund Transactions/Internal Activity

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Budgetary Process

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

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

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

Bond Discounts, Premiums

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Operating Revenues and Expenses

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

Contributions of Capital

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

Estimates

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

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

At December 31, 2017, the following funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Special Revenue Funds:	
Community Development Block Grant Fund	\$2,877
Home Fund	30,120
Capital Projects Fund:	
Special Assessment Construction Fund	33,972
I-675 Corridor TIF Fund	2,034,408
Internal Service Fund:	
Equipment Fund	151,214

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, Public Safety Police/Fire, and Community Redevelopment Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Net Change in Fund Balance

	General Fund	Fire and EMS Fund	Police Fund
GAAP Basis	(\$689,728)	\$293,990	(\$59,715)
Revenue Accruals	108,542	(25,029)	(14,807)
Expenditure Accruals	30,897	37,763	(13,309)
Encumbrances	(625,499)	(152,472)	(82,236)
Change in Fair Value of Investments - 2017	343,600	0	0
Change in Fair Value of Investments - 2016	(369,224)	0	0
Agency Fund Allocation - 2017	(101,637)	0	0
Agency Fund Allocation - 2016	88,131	0	0
Excess of revenues under expenditures for Uninsured Loss Fund	3,525	0	0
Transfers	1,273	0	0
Advances	(61,000)	0	0
Budget Basis	<u>(\$1,271,120)</u>	<u>\$154,252</u>	<u>(\$170,067)</u>

	County Motor Vehicle Fund	Public Safety Police/Fire Fund	Community Redevelopment Fund
GAAP Basis	\$133,468	(\$63,189)	\$699,187
Revenue Accruals	(479,742)	35,997	3,055,379
Expenditure Accruals	738,961	(131,479)	(2,813,004)
Encumbrances	(2,019,409)	(703,453)	(1,504,216)
Transfers	(134,756)	0	0
Budget Basis	<u>(\$1,761,478)</u>	<u>(\$862,124)</u>	<u>(\$562,654)</u>

Note 6 – Deposits And Investments

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017, the City's Self Insurance – Jefferson Health Plan internal service fund had a \$647,756 balance with Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool (See Note 22). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the City. Disclosures for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County Educational Service Center, Steubenville, Ohio 43952.

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

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

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

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

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>	<u>S&P Rating</u>	<u>Percent of Total Investments</u>
Fair Value - Level Two Inputs:				
Federal Home Loan Bank Serial/Consolidation Bonds	\$6,039,347	Less than four years	AA+	19.78 %
Federal Home Loan Bank Mortgage Bonds	3,981,440	Less than five years	AA+	13.04
Federal Home Loan Bank Mortgage Notes	18,539,678	Less than five years	AA+	60.74
Federal National Mortgage Association Bonds	<u>1,964,960</u>	Less than four years	AA+	6.44
Total Investments	<u><u>\$30,525,425</u></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, 2017. 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
For the Year Ended December 31, 2017

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 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$11.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$506,280,670
Public Utility Personal	16,466,990
Totals	<u><u>\$522,747,660</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, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 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, 2017

Note 8 – Municipal Income Tax

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

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

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

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

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

Note 9 – Receivables

Receivables at December 31, 2017, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, loans, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, special assessments, and loans.

Property, income, and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year in the General Fund amount to \$37,370, in the General Bond Retirement Fund amount to \$156,914, and in the Sewer Fund amount to \$50,000. The City has \$12,211 of delinquent special assessments at December 31, 2017.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

and is to be paid over a period of five years. The entire loan is expected to be collected in more than one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amount
Local Government	\$401,051
Homestead Exemption and Rollbacks	319,762
Gasoline Tax	590,978
Motor Vehicle Tax	103,598
Community Development Block Grant	24,554
Victims of Crime Act Grant	21,816
Violence Against Women Act Grant	14,807
Ohio Department of Transportation Grant	376,546
Ohio Public Works Commission Grant	281,526
City of Beavercreek	16,408
Greene County	16,796
Total Governmental Funds	<u><u>\$2,167,842</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, 2017 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, 2017, were as follows:

	Balance at 12/31/2016	Additions	Deletions	Balance at 12/31/2017
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$17,320,446	\$387,449	\$0	\$17,707,895
Construction in Progress	64,762	4,724,635	(1,509,333)	3,280,064
Total Capital Assets				
Not Being Depreciated	<u>\$17,385,208</u>	<u>\$5,112,084</u>	<u>(\$1,509,333)</u>	<u>\$20,987,959</u>
				(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance at 12/31/2016	Additions	Deletions	Balance at 12/31/2017
<u>Governmental Activities:</u>				
Depreciable Capital Assets:				
Buildings	\$19,817,171	\$1,252,421	\$0	\$21,069,592
Improvements Other Than Buildings	2,694,009	116,435	(25,000)	2,785,444
Machinery and Equipment	6,102,522	444,657	(853,260)	5,693,919
Vehicles	7,255,402	1,026,207	(260,007)	8,021,602
Infrastructure	78,605,160	853,233	(187,727)	79,270,666
Total Depreciable Capital Assets	<u>114,474,264</u>	<u>3,692,953</u>	<u>(1,325,994)</u>	<u>116,841,223</u>
Less Accumulated Depreciation:				
Buildings	(8,094,838)	(475,868)	0	(8,570,706)
Improvements Other Than Buildings	(1,840,376)	(104,057)	25,000	(1,919,433)
Machinery and Equipment	(4,420,720)	(375,613)	850,366	(3,945,967)
Vehicles	(4,261,073)	(494,983)	257,063	(4,498,993)
Infrastructure	(45,227,012)	(2,207,390)	158,608	(47,275,794)
Total Accumulated Depreciation	<u>(63,844,019)</u>	<u>(3,657,911)</u>	<u>1,291,037</u>	<u>(66,210,893)</u>
Depreciable Capital Assets, Net	<u>50,630,245</u>	<u>35,042</u>	<u>(34,957)</u>	<u>50,630,330</u>
Governmental Activities Capital Assets, Net	<u>\$68,015,453</u>	<u>\$5,147,126</u>	<u>(\$1,544,290)</u>	<u>\$71,618,289</u>

Additions to capital assets being depreciated include \$610,070 in assets donated by developers for the year ended December 31, 2017. Additions to capital assets and accumulated depreciation also include \$14,556 of fully depreciated assets transferred from business-type activities.

Depreciation expense was charged to governmental programs as follows:

General Government	\$386,545
Public Safety	746,975
Leisure Time Activity	219,437
Public Health	2,736
Transportation and Street Repair	2,287,662
	<u>\$3,643,355</u>

City of Fairborn, Ohio
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Capital assets activities of the business-type activities for the year ended December 31, 2017, was as follows:

	Balance at 12/31/2016	Additions	Deletions	Balance at 12/31/2017
<u>Business-type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$159,633	\$0	\$0	\$159,633
Construction in Progress	2,576,312	3,654,727	(740,314)	5,490,725
Total Capital Assets, Not Being Depreciated	2,735,945	3,654,727	(740,314)	5,650,358
Depreciable Capital Assets				
Buildings	27,438,471	544,503	(235,818)	27,747,156
Improvements Other Than Buildings	1,989,369	20,475	0	2,009,844
Machinery and Equipment	6,188,517	88,142	(89,003)	6,187,656
Vehicles	1,814,911	409,755	(260,416)	1,964,250
Infrastructure	29,891,057	261,115	0	30,152,172
Total Depreciable Capital Assets	67,322,325	1,323,990	(585,237)	68,061,078
Less Accumulated Depreciation:				
Buildings	(11,354,860)	(694,071)	136,309	(11,912,622)
Improvements Other Than Buildings	(1,951,510)	(4,611)	0	(1,956,121)
Machinery and Equipment	(5,265,429)	(166,705)	89,003	(5,343,131)
Vehicles	(1,216,480)	(154,586)	51,527	(1,319,539)
Infrastructure	(18,851,848)	(568,963)	0	(19,420,811)
Total Accumulated Depreciation	(38,640,127)	(1,588,936)	276,839	(39,952,224)
Depreciable Capital Assets, Net	28,682,198	(264,946)	(308,398)	28,108,854
Business-type Activities Capital Assets, Net	<u>\$31,418,143</u>	<u>\$3,389,781</u>	<u>(\$1,048,712)</u>	<u>\$33,759,212</u>

Deletions from capital assets being depreciated include depreciable assets of \$14,556 transferred from business-type activities to governmental activities.

Note 11 – Risk Management

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

The City belongs to the Public Entities Pool of Ohio (PEP), a public entity shared risk pool (see Note 22) available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk 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.

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The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2017 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2018.

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

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017 and 2016:

<u>Casualty and Property Coverage</u>	<u>2017</u>	<u>2016</u>
Assets	\$44,452,326	\$42,182,281
Liabilities	<u>13,004,011</u>	<u>13,396,700</u>
Net Position - Unrestricted	<u>\$31,448,315</u>	<u>\$28,785,581</u>
Unpaid Claims to be Billed in the Future	\$11.3 million	\$11.5 million
Number of Members	527	520

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 payable includes the subsequent year's contribution due if the City terminates participation, as described below.

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

City of Fairborn, Ohio
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<u>Contributions to PEP</u>	<u>Amount</u>
2015	\$239,314
2016	245,310
2017	294,668

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

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

The City provides health insurance to its employees through a self-insurance plan. The City pays \$586 per month for eligible employees electing single coverage and \$1,700 for eligible employees electing family coverage, with the employees paying \$123 per month for single coverage, and \$357 per month for family coverage. The City participated in the Jefferson Health Plan during 2017. Jefferson Health Plan administers the health insurance plan.

	<u>Balance at January 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at December 31,</u>
2016	\$255,033	\$2,751,056	\$2,521,957	\$484,132
2017	484,132	2,583,562	2,538,758	528,936

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Fairborn, Ohio
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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
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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

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

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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates:			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2017 Actual Contribution Rates:			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,174,848 for 2017. Of this amount, \$97,929 is reported as an intergovernmental payable.

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

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

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.

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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 and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates:		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 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 \$1,925,564 for 2017. Of this amount, \$165,081 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial

City of Fairborn, Ohio
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valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06196500%	0.36342900%	
Prior Measurement Date	<u>0.06053100%</u>	<u>0.37672500%</u>	
Change in Proportionate Share	<u>0.00143400%</u>	<u>-0.01329600%</u>	
Proportionate Share of the Net Pension Liability	\$14,071,198	\$23,019,228	<u>Total</u> \$37,090,426
Pension Expense	\$3,041,070	\$2,540,903	\$5,581,973

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$19,072	\$6,512	\$25,584
Changes of assumptions	2,231,864	0	2,231,864
Net difference between projected and actual earnings on pension plan investments	2,095,526	2,238,518	4,334,044
Changes in proportion and differences between City contributions and proportionate share of contributions	145,093	0	145,093
City contributions subsequent to the measurement date	<u>1,174,848</u>	<u>1,925,564</u>	<u>3,100,412</u>
Total Deferred Outflows of Resources	<u>\$5,666,403</u>	<u>\$4,170,594</u>	<u>\$9,836,997</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$83,747	\$53,000	\$136,747
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>27,125</u>	<u>603,080</u>	<u>630,205</u>
Total Deferred Inflows of Resources	<u>\$110,872</u>	<u>\$656,080</u>	<u>\$766,952</u>

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\$3,100,412 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$1,813,418	\$731,133	\$2,544,551
2019	1,878,781	731,133	2,609,914
2020	749,909	528,275	1,278,184
2021	(61,425)	(270,909)	(332,334)
2022	0	(119,026)	(119,026)
Thereafter	<u>0</u>	<u>(11,656)</u>	<u>(11,656)</u>
Total	<u><u>\$4,380,683</u></u>	<u><u>\$1,588,950</u></u>	<u><u>\$5,969,633</u></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, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

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	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 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
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are 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.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-

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Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3 percent for 2016.

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 2016 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	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$21,496,868	\$14,071,198	\$7,883,187

Actuarial Assumptions – OPF

OP&F's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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

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

The information included in the financial statements is based on the experience study that was completed January 1, 2012.

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

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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, 2016, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
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 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$30,658,884	\$23,019,228	\$16,544,516

Changes between Measurement Date and Report Date In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

Note 13 – Post Employment Benefits

Ohio Public Employees Retirement System

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

OPERS 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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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 2017 was 4.0 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The City's corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$91,065, \$171,965, and \$50,354, respectively. For 2017, 90.43 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

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 healthcare plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

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

The Ohio Revised Code allows, but does not mandate, 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.

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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. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The 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 contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$18,903 and \$22,988 for the year ended December 31, 2017, \$17,231 and \$21,647 for the year ended December 31, 2016, and \$16,074 and \$20,039 for the year ended December 31, 2015. For 2017, 93.15 percent has been contributed for police and 91.08 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

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,

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receives accumulated, unused vacation up to an allowable maximum ranging from one year to two years of accrual. Most City employees earn sick leave at a rate of 1.25 days per month of work completed. Firefighters earn sick leave at a rate of 1.76 days per month of work completed. Upon retirement, eligible employees will be compensated for their accumulated sick leave at a maximum rate of one-third of the balance provided they meet minimum accumulated sick leave hours ranging from 480 to 720 hours and do not exceed varying maximums ranging from 1,200 to 1,800 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

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

Medical, Dental and Life Insurance Benefits

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

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

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

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

Note 15 – Capital Leases - Lessee Disclosure

In prior years, the City entered into lease agreements for energy conservation improvements. The original amount of the energy conservation lease was for \$1,045,901 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. As part of the

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agreement for 2008 energy conservation improvements, Citicapital Municipal Finance, as lessor, deposited \$1,045,900 into a separate bank account in the City's name.

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

Capital assets acquired by leases have been capitalized in the amount of \$232,018 for governmental activities and \$5,469 in the business-type activities which equaled the present value of the future minimum lease payments at the time of acquisition. Principal payments in 2017 totaled \$26,572 in governmental activities and \$626 in business-type activities.

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Depreciation</u>	<u>December 31, 2017</u>
Asset:			
Governmental Activities			
Machinery and Equipment	<u>\$232,018</u>	<u>(\$212,683)</u>	<u>\$19,335</u>
Business-type Activities			
Machinery and Equipment	<u>\$5,469</u>	<u>(\$5,013)</u>	<u>\$456</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017.

<u>December 31,</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>
2018	\$13,881	\$330
Less: Amount Representing Interest	(241)	(6)
Present Value of Minimum Lease Payments	<u>\$13,640</u>	<u>\$324</u>

Note 16 – Operating Lease – Lessee Disclosure

In prior years, the City entered into a lease purchase agreement with Citicapital Municipal Finance to finance energy conservation improvements made to various buildings and infrastructure throughout the City. The original amount of the lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,413 being considered an operating lease. The lease commenced on May 27, 2008 and ends May 27, 2018. Operating lease payments made during 2017 were \$96,741.

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The future minimum lease payments are as follows:

December 31,	Payment Total
2018	\$48,371

Note 17 – Short-Term Obligations

Changes in short-term obligations during 2017 were as follows:

Types/Issues	Balance at 12/31/2016	Increases	Decreases	Balance at 12/31/2017
<u>Governmental Activities:</u>				
2016 Various Purpose Bond Anticipation Note Series A	\$127,485	\$0	\$127,485	\$0
2016 Special Obligation Bond Anticipation Note Series A	1,525,000	0	1,525,000	0
Premium	9,262	0	9,262	0
2016 Various Purpose Bond Anticipation Note Series B	1,801,253	0	1,801,253	0
Premium	11,495	0	11,495	0
2016 Special Obligation Bond Anticipation Note Series B	500,000	0	500,000	0
Premium	7,400	0	7,400	0
2017 Various Purpose Bond Anticipation Note Series A	0	62,515	0	62,515
2017 Special Obligation Nontax Revenue Note Series B	0	1,525,000	0	1,525,000
Premium	0	12,703	4,234	8,469
2017 Special Obligation Nontax Revenue Note Series C	0	500,000	0	500,000
Premium	0	7,845	2,615	5,230
2017 Various Purpose Note Series B	0	2,155,500	0	2,155,500
Premium	0	13,385	4,462	8,923
2017 Special Obligation Nontax Revenue Note Series D	0	1,000,000	0	1,000,000
Premium	0	9,830	410	9,420
Total Governmental Activities	<u>\$3,981,895</u>	<u>\$5,286,778</u>	<u>\$3,993,616</u>	<u>\$5,275,057</u>
<u>Business-type Activities:</u>				
2016 Various Purpose Bond Anticipation Note Series A (Water)	\$684,897	\$0	\$684,897	\$0
2016 Various Purpose Bond Anticipation Note Series B (Water)	13,379	0	13,379	0
Premium	581	0	581	0
2016 Various Purpose Bond Anticipation Note Series B (Sewer)	269,968	0	269,968	0
Premium	1,416	0	1,416	0
Total Business-type Activities	<u>\$970,241</u>	<u>\$0</u>	<u>\$970,241</u>	<u>\$0</u>

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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 23, 2017 the City issued \$62,515 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2016 various purpose bond anticipation notes. The notes were issued at 2.00 percent and matured on March 22, 2018. The notes were paid from the street maintenance and repair, building and land, and public safety police/fire fund, respectively.

On August 16, 2017 the City issued \$1,525,000 in special obligation nontax revenue notes series B. The notes were issued to repair the Broad Street corridor. The notes were issued at 2.50 percent and will mature on August 15, 2018. The notes will be paid from the community redevelopment fund. The City had \$142,594 in unspent proceeds at December 31, 2017.

On August 16, 2017 the City issued \$500,000 in special obligation nontax revenue notes series C. The notes were issued for economic development. The notes were issued at 3.25 percent and will mature on August 15, 2018. The notes will be paid from the community redevelopment fund. The City had \$28 in unspent proceeds at December 31, 2017.

On September 8, 2017 the City issued \$2,155,500 in various purpose notes series B. The notes were issued to improve the City's roads. The notes were issued at 1.75 percent and will mature on September 7, 2018. The notes will be paid from the I-675 corridor TIF fund and special assessment construction fund, respectively. The City had \$96,202 in unspent proceeds at December 31, 2017.

On December 20, 2017 the City issued \$1,000,000 in special obligation nontax revenue notes series D. The notes were issued to improve the City's roads. The notes were issued at 3.375 percent and will mature on August 15, 2018. The notes will be paid from the community redevelopment fund. The City had \$1,000,000 in unspent proceeds at December 31, 2017.

Note 18 – Long-Term Obligations

The summary of changes in long-term obligations of the governmental activities of the City during 2017 follows:

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Types/Issues	Balance at 12/31/2016	Increases	Decreases	Balance at 12/31/2017	Due Within One Year
<u>Long Term Notes:</u>					
2016 1.25% - Various Purpose Bond Anticipation					
Notes Series A	\$757,515	\$0	\$757,515	\$0	\$0
Premium	1,182	0	1,182	0	0
2017 2.00% - Various Purpose Bond Anticipation					
Notes Series A	0	2,545,000	0	2,545,000	0
Premium	0	20,994	15,746	5,248	0
2017 2.625% - Special Obligation Nontax Revenue					
Notes Series A	0	1,000,000	0	1,000,000	0
Premium	0	11,020	6,428	4,592	0
Total Notes Payable	<u>758,697</u>	<u>3,577,014</u>	<u>780,871</u>	<u>3,554,840</u>	<u>0</u>
<u>Tax Increment Financing Revenue Bonds:</u>					
2013 1.5-3% Various Purpose					
Revenue Bonds (TIF)	1,280,000	0	85,000	1,195,000	90,000
Premium	31,606	0	2,554	29,052	0
Total Tax Increment Financing Revenue Bonds	<u>1,311,606</u>	<u>0</u>	<u>87,554</u>	<u>1,224,052</u>	<u>90,000</u>
<u>Special Assessment Bonds with</u>					
<u>Governmental Commitment:</u>					
1998 5.15% Commerce Center/					
Channingway \$1,160,000	185,000	0	85,000	100,000	100,000
2003 4.00 to 8.30% Dayton - Yellow Spring					
Improvement \$305,000	139,000	0	19,000	120,000	20,000
2012 2.5% Curb and Sidewalk \$120,000	25,000	0	25,000	0	0
2013 1.5-2% Various Purpose Special					
Assessment Bonds	30,000	0	15,000	15,000	15,000
Premium	1,719	0	112	1,607	0
2016 1.9% Curb and Sidewalk \$85,000	85,000	0	15,000	70,000	15,000
Total Speical Assessment Bonds	<u>465,719</u>	<u>0</u>	<u>159,112</u>	<u>306,607</u>	<u>150,000</u>
<u>Loans Payable:</u>					
OPWC 0% \$334,832	334,832	0	4,156	330,676	11,209
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	40,212	0	26,572	13,640	13,640
Claims Payable	484,132	2,299,702	2,254,898	528,936	141,930
Compensated Absences Payable	1,273,575	1,072,182	932,384	1,413,373	982,758
Total Other Long-Term Obligations	<u>1,797,919</u>	<u>3,371,884</u>	<u>3,213,854</u>	<u>1,955,949</u>	<u>1,138,328</u>
<u>Net Pension Liability:</u>					
OP&F	24,234,984	0	1,215,756	23,019,228	0
OPERS	8,073,244	2,761,579	0	10,834,823	0
Total Net Pension Liability	<u>32,308,228</u>	<u>2,761,579</u>	<u>1,215,756</u>	<u>33,854,051</u>	<u>0</u>
Total Governmental Activities	<u>\$36,977,001</u>	<u>\$9,710,477</u>	<u>\$5,461,303</u>	<u>\$41,226,175</u>	<u>\$1,389,537</u>

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On March 23, 2017 the City issued \$2,545,000 in various purpose bond anticipation notes series A. The notes were issued to retire a portion of the 2016 various purpose bond anticipation notes. The notes were issued at 2.00 percent and matured on March 22, 2018. The notes were paid from the street maintenance and repair, building and land, and public safety police/fire funds. The City had \$444,802 in unspent proceeds at December 31, 2017.

On June 8, 2017 the City issued \$1,000,000 in special obligation nontax revenue notes series A. The notes were issued for community and economic development. The notes were issued at 2.625 percent and matured on June 6, 2018. 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 Commerce Center/Channingway special assessment bonds were issued to finance the construction and improvements of Commerce Center and Channingway Drive. These bonds are being paid from the General Bond Retirement Debt Service Fund with special assessments revenue.

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

The 2012, 2013 and 2016 Curb and Sidewalk special assessment bonds were issued for the purpose of constructing and repairing curbs, sidewalks and driveway approaches throughout the City. Each bond issue is being paid through the General Bond Retirement Debt Service Fund with special assessments revenue. The 2012 special assessment bond was paid off in 2017.

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.

Capital lease obligations will be paid from the General Fund, the Fire and EMS Special Revenue Fund, the Water Enterprise Fund, and the Equipment and Information Technology Internal Service Funds. Compensated absences will be paid from the General, the Fire and EMS, Police, Street Maintenance and Repair, State Highway, Cemetery, Community Development and Victim Witness Special Revenue Funds, the Water, Sewer and Sanitation Enterprise Funds and the

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Equipment and Information Technology Internal Service Funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the General Fund, the Fire and EMS, Police, Street Maintenance and Repair, State Highway, Cemetery, Victim Witness, Home, Community Development Block Grant, Victim Assistance, Municipal Probation Services, Court Clerk Computerization, and Public Safety Police/Fire special revenue funds, the Equipment and Information Technology internal service funds. For additional information related to the net pension liability see note 12.

A summary of the long-term obligations reported for business-type activities during 2017 is as follows:

Types/Issues	Balance at 12/31/2016	Increases	Decreases	Balance at 12/31/2017	Due Within One Year
<u>Notes Payable:</u>					
2016 1.25% - Water Various Purpose					
Bond Anticipation Series A	\$2,852,603	\$0	\$2,852,603	\$0	\$0
Premium	4,722	0	4,722	0	0
2016 1.25% - Sewer Various Purpose					
Bond Anticipation Series A	3,726,400	0	3,726,400	0	0
Premium	4,975	0	4,975	0	0
2017 2.00% - Water Various Purpose					
Bond Anticipation Series A	0	2,852,603	0	2,852,603	0
Premium	0	22,441	16,831	5,610	0
2017 2.00% - Sewer Various Purpose					
Bond Anticipation Series A	0	3,726,400	0	3,726,400	0
Premium	0	28,956	21,717	7,239	0
Total Notes Payable	6,588,700	6,630,400	6,627,248	6,591,852	0
<u>General Obligation Bonds:</u>					
2010 2.00 to 4.50% - Sewer Various Purpose \$7,460,000	7,140,000	0	130,000	7,010,000	135,000
Discount	(55,187)	0	(2,509)	(52,678)	0
Total General Obligation Bonds	7,084,813	0	127,491	6,957,322	135,000
<u>General Obligation Refunding Bonds:</u>					
2013 1.5% to 3.0% Water Various Purpose Bonds	3,105,000	0	165,000	2,940,000	165,000
Premium	54,969	0	3,575	51,394	0
2013 1.5% to 3.0% Water Various Purpose Bonds	614,250	0	72,150	542,100	74,100
Premium	12,229	0	1,658	10,571	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	960,750	0	112,850	847,900	115,900
Premium	19,128	0	2,593	16,535	0
2013 1.5% to 3.0% Sewer Various Purpose Bonds	1,645,000	0	85,000	1,560,000	90,000
Premium	29,165	0	1,897	27,268	0
Total General Obligation Refunding Bonds	\$6,440,491	\$0	\$444,723	\$5,995,768	\$445,000

(continued)

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Types/Issues	Balance at 12/31/2016	Increases	Decreases	Balance at 12/31/2017	Due Within One Year
<u>Special Assessment Bonds with Governmental Commitment:</u>					
2003 5.00% Sewer Various Purpose \$170,000	\$70,000	\$0	\$10,000	\$60,000	\$10,000
<u>Loans Payable:</u>					
OPWC 0% Water \$1,449	1,449	0	1,449	0	0
<u>Other Long-Term Obligations:</u>					
Landfill Closure and Postclosure	117,800	0	55,980	61,820	61,820
Capital Leases	950	0	626	324	324
Net Pension Liability - OPERS	2,411,490	824,885	0	3,236,375	0
Compensated Absences	175,334	161,275	129,927	206,682	144,862
Total Other Long-Term Obligations	2,705,574	986,160	186,533	3,505,201	207,006
Total Business-type Activities	<u>\$22,891,027</u>	<u>\$7,616,560</u>	<u>\$7,397,444</u>	<u>\$23,110,143</u>	<u>\$797,006</u>

On March 23, 2017 the City issued \$6,579,003 in various purpose bond anticipation notes series A. The notes were issued to retire the 2016 various purpose bond anticipation notes. The notes were issued at 2.00 percent and matured on March 22, 2018. The notes were paid from the Water and Sewer Funds with charges.

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.

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, 2017 is \$1,850,000

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:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Capital lease obligations will be paid from the Water Enterprise Fund. Compensated absences will be paid from the Water, Sewer, and Sanitation Enterprise Funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the Water, Sewer and Sanitation enterprise funds. For additional information related to the net pension liability see note 12.

The City's overall legal debt margin was \$53,757,887 at December 31, 2017, and the unvoted debt margin was \$27,620,504.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2017 follows:

Governmental Activities					
December 31,	TIF Revenue Bonds		Special Assessment Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2018	\$90,000	\$29,588	\$150,000	\$12,140	\$11,209
2019	90,000	27,788	35,000	5,545	11,209
2020	90,000	26,438	40,000	4,360	11,209
2021	95,000	24,636	40,000	3,080	11,209
2022	95,000	22,738	20,000	1,800	11,209
2023-2027	510,000	78,988	20,000	900	56,045
2028-2032	225,000	10,200	0	0	56,045
2033-2037	0	0	0	0	56,046
2038-2042	0	0	0	0	56,050
2043-2047	0	0	0	0	50,445
Total	<u>\$1,195,000</u>	<u>\$220,376</u>	<u>\$305,000</u>	<u>\$27,825</u>	<u>\$330,676</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Business type Activities				
December 31,	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2018	\$580,000	\$443,276	\$10,000	\$2,820
2019	595,000	429,988	10,000	2,350
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
2023-2027	3,225,000	1,669,756	10,000	470
2028-2032	3,660,000	1,083,081	0	0
2033-2037	2,430,000	459,531	0	0
2038	550,000	24,750	0	0
Total	<u>\$12,900,000</u>	<u>\$5,321,447</u>	<u>\$60,000</u>	<u>\$9,870</u>

Note 19 – Landfill Closure And Postclosure Care Cost

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1989. The \$61,820 reported as a landfill post-closure care liability in the Sanitation Enterprise Fund at December 31, 2017, represents the cumulative amount reported to date based on the estimated cost of maintenance and monitoring through 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Note 20 – Interfund Assets/Liabilities

Interfund balances at December 31, 2017, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Interfund Receivable		
	General	Nonmajor	
Interfund Payable	Fund	Governmental	Total
		Funds	
General Fund	\$0	\$36,235	\$36,235
Nonmajor			
Governmental Funds	265,000	0	265,000
Total	<u>\$265,000</u>	<u>\$36,235</u>	<u>\$301,235</u>

The interfund payable in the General Fund that is an interfund receivable from Nonmajor Governmental Funds is due to grants incorrectly recorded.

Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfers From	Transfers To				
	General	Fire and EMS	Police	County Motor	Community
	Fund	Fund	Fund	Vehicle Tax	Redevelopment
				Fund	Fund
General Fund	\$0	\$2,756,000	\$3,942,600	\$2,473	\$250,000
Nonmajor					
Governmental Funds	1,200	0	0	132,283	0
Total	<u>\$1,200</u>	<u>\$2,756,000</u>	<u>\$3,942,600</u>	<u>\$134,756</u>	<u>\$250,000</u>

Transfers From	Transfers To			
	Nonmajor	Water	Sewer	Total
	Governmental	Fund	Fund	
	Funds			
General Fund	\$589,220	\$0	\$0	\$7,540,293
Nonmajor				
Governmental Funds	50,000	13,379	269,968	466,830
Total	<u>\$639,220</u>	<u>\$13,379</u>	<u>\$269,968</u>	<u>\$8,007,123</u>

Transfers are used to move General Fund revenues that are used to subsidize various programs and for debt service requirements into other funds. The transfer between nonmajor governmental funds and nonmajor governmental funds of \$50,000 was to assist in equipment acquisitions. The remaining transfers were for scheduled debt payments that related to short-term obligations.

Note 21 – Jointly Governed Organizations

Miami Valley Regional Planning Commission

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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. The City contributed \$14,882 for the operation of the Commission during 2017. Financial information may be obtained by writing to Brian Martin, Executive Director, Ten North Ludlow Street, Suite 700, Dayton, Ohio 45402.

Regional Emergency Response Team (RERT)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the RERT are made from the General Fund. The City contributed \$6,083 for the operation of the RERT for 2017. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o the City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Task Force are made from the General Fund. The City contributed \$10,500 during 2017. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Scott Anger, 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 contributed \$125,000 from General Fund to the Fairborn Development Corporation during 2017. Financial information can be obtained by writing to Fairborn Development Corporation, c/o The City of Fairborn, Mike Gebhart, Executive Director, at 44 West Hebble Avenue, Fairborn, OH 45324.

Greene County Regional Planning and Coordination Commission (GCRPCC)

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

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

The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$3,345 during 2017. Financial information can be obtained from Ken LeBlanc, Executive Director, at 651 Dayton-Xenia Road, Suite #1, Xenia, Ohio 45385.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 22 – Public Entity Shared Risk Pool

Public Entities Pool of Ohio (PEP)

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

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

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

Jefferson Health Plan

The City participates in the Jefferson Health Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including three insurance consortiums. Each participant appoints a member of the insurance plan’s assembly. The Plan’s business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$200,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$1,500,000, and all claims between the deductible and the \$1,500,000 are paid from the 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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 23 - Significant Commitments

Encumbrances

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

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

Governmental Funds:

General	\$625,499
Fire and EMS	152,472
Police	82,236
County Motor Vehicle Tax	2,019,409
Public Safety Police/Fire	703,453
Community Redevelopment	1,504,216
Other Governmental Funds	684,506
Total Governmental Funds	<u>5,771,791</u>

Enterprise Funds:

Water	1,355,609
Sewer	3,537,209
Sanitation	233,465
Total Enterprise Funds	<u>5,126,283</u>

Internal Service Funds:

Equipment	80,395
Information Technology	84,395
Total Internal Service Fund	<u>164,790</u>

Total	<u><u>\$11,062,864</u></u>
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City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Contractual Commitments

As of December 31, 2017, the City had the following commitments with respect to capital projects:

Project	Construction Commitment
Tyler Technology Software	\$404,044
Dayton Drive Widening	1,289,495
Kauffman Avenue Widening Design	238,648
Maple Avenue Phase I Design	193,096
Broad Street Improvements	45,818
Meter System Upgrade	652,936
Southeast Lift Station	567,077
Digester Blower Upgrade	675,909
SCADA Upgrades	13,134
Water Treatment Plant ADA Restroom Facility	44,650
Water Treatment Plant Options Analysis	183,605
Street Program	51,130
2018 Curb, Sidewalk and Approach and ADA Ramp Project	130,229
Maple Avenue Bridge	65,703
Water Reclamation Center Concrete Wall Repair	85,216
Digesters 1 and 2 Blower	70,874

Note 24 – Fund Balance

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances	General Fund	Fire and EMS Fund	Police Fund	County Motor Vehicle Tax Fund
<u>Nonspendable:</u>				
Material and Supplies	\$10,700	\$0	\$12,391	\$0
Unclaimed Monies	62,138	0	0	0
Total Nonspendable	<u>72,838</u>	<u>0</u>	<u>12,391</u>	<u>0</u>
<u>Restricted for:</u>				
Assets held for Resale	0	0	0	0
Road Improvements	0	0	0	2,878,162
Debt Service	0	0	0	0
Neighborhood Stabilization	0	0	0	0
Drug and Alcohol Enforcement	0	0	0	0
Victim Assistance Programs	0	0	0	0
Municipal Court Programs	0	0	0	0
Public Safety Equipment	0	740,922	556,267	0
Economic Improvement	0	0	0	0
Total Restricted	<u>0</u>	<u>740,922</u>	<u>556,267</u>	<u>2,878,162</u>
<u>Committed to:</u>				
Cemetery Operations	0	0	0	0
Land and Building Improvements	0	0	0	0
Recreation Improvements	0	0	0	0
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
Purchases on Order for:				
General Government	249,103	0	0	0
Leisure Time Services	25,276	0	0	0
Community and Economic Development	49,238	0	0	0
Capital Projects	209,126	0	0	0
General Capital Improvements	0	0	0	0
Future Appropriations	2,189,164	0	0	0
Total Assigned	<u>2,721,907</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Unassigned (Deficits):</u>	<u>6,936,826</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u><u>\$9,731,571</u></u>	<u><u>\$740,922</u></u>	<u><u>\$568,658</u></u>	<u><u>\$2,878,162</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances	Public Safety Police/Fire Fund	Community Redevelopment Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>				
Material and Supplies	\$0	\$0	\$150,321	\$173,412
Unclaimed Monies	0	0	0	62,138
Total Nonspendable	0	0	150,321	235,550
<u>Restricted for:</u>				
Assets held for Resale	0	0	83,623	83,623
Road Improvements	0	0	1,545,941	4,424,103
Debt Service	0	0	64,383	64,383
Neighborhood Stabilization	0	600,011	52,287	652,298
Drug and Alcohol Enforcement	0	0	540,253	540,253
Victim Assistance Programs	0	0	30,684	30,684
Municipal Court Programs	0	0	944,130	944,130
Public Safety Equipment	1,098,479	0	0	2,395,668
Economic Improvement	0	0	36,975	36,975
Total Restricted	1,098,479	600,011	3,298,276	9,172,117
<u>Committed to:</u>				
Cemetery Operations	0	0	48,879	48,879
Land and Building Improvements	0	0	181,736	181,736
Recreation Improvements	0	0	201,852	201,852
Total Committed	0	0	432,467	432,467
<u>Assigned to:</u>				
Purchases on Order for:				
General Government	0	0	0	249,103
Leisure Time Services	0	0	0	25,276
Community and Economic				
Development	0	0	0	49,238
Capital Projects	0	0	0	209,126
General Capital Improvements	0	0	633,701	633,701
Future Appropriations	0	0	0	2,189,164
Total Assigned	0	0	633,701	3,355,608
<u>Unassigned (Deficits):</u>	0	0	(2,101,377)	4,835,449
Total Fund Balances	\$1,098,479	\$600,011	\$2,413,388	\$18,031,191

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 25 – Contingent Liabilities

Litigation

The City of Fairborn is currently a party to legal proceeding seeking damages or injunctive relief generally incidental to its operations and pending projects as of December 31, 2017. 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, 2017, to December 31, 2017, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 26 – Subsequent Events

On March 22, 2018, the City issued various Bond Anticipation Notes in the amount of \$9,874,000. On June 6, 2018, City Council authorized the reissuance of taxable non-tax Revenue Bond Anticipation Notes in an amount not to exceed \$1,000,000 for the purpose of acquiring various properties for demolition and site preparation to support economic development within the City.

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 Four Years (1)

	2017	2016
City's Proportion of the Net Pension Liability	0.06196500%	0.06053100%
City's Proportionate Share of the Net Pension Liability	\$14,071,198	\$10,484,734
City's Covered Payroll	\$8,025,850	\$7,517,724
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.32%	139.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%

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

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

See accompanying notes to the required supplemental information.

2015	2014
0.06062000%	0.06062000%
\$7,311,449	\$7,146,308
\$7,432,075	\$7,261,831
98.38%	98.41%
86.45%	86.36%

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 Four Years (1)

	2017	2016
City's Proportion of the Net Pension Liability	0.36342900%	0.37672500%
City's Proportionate Share of the Net Pension Liability	\$23,019,228	\$24,234,984
City's Covered Payroll	\$6,865,876	\$7,521,151
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	335.27%	322.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%

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

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

2015	2014
0.37679490%	0.37679490%
\$19,519,547	\$18,351,094
\$7,331,137	\$6,483,988
266.26%	283.02%
72.20%	73.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$1,174,848	\$963,102	\$902,127
Contributions in Relation to the Contractually Required Contribution	<u>(1,174,848)</u>	<u>(963,102)</u>	<u>(902,127)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$9,037,292	\$8,025,850	\$7,517,724
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%

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

See accompanying notes to the required supplemental information.

<u>2014</u>	<u>2013</u>
\$891,849	\$944,038
<u>(891,849)</u>	<u>(944,038)</u>
<u>\$0</u>	<u>\$0</u>
\$7,432,075	\$7,261,831
12.00%	13.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,925,564	\$1,472,036	\$1,614,648	\$1,576,862
Contributions in Relation to the Contractually Required Contribution	<u>(1,925,564)</u>	<u>(1,472,036)</u>	<u>(1,614,648)</u>	<u>(1,576,862)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,979,786	\$6,865,876	\$7,521,151	\$7,331,137
Contributions as a Percentage of Covered Payroll:	21.44%	21.44%	21.47%	21.51%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,196,038	\$999,985	\$987,882	\$1,112,011	\$1,067,845	\$1,104,023
<u>(1,196,038)</u>	<u>(999,985)</u>	<u>(987,882)</u>	<u>(1,112,011)</u>	<u>(1,067,845)</u>	<u>(1,104,023)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,483,988	\$6,594,406	\$6,505,473	\$7,322,201	\$7,001,195	\$7,224,485
18.45%	15.16%	15.19%	15.19%	15.25%	15.28%

City of Fairborn, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 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 in 2016 and prior are presented below:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 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
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 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.

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.

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.

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. This fund had no cash activity during 2017, therefore no budgetary statement is presented.

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.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Municipal Probation Services Fund

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

Traffic Intervention Fund

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

Court Legal Research/Computerization Fund

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

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.

Byrne Justice Assistance Grant Fund

Byrne Justice Assistance Grant Fund accounts for and reports restricted federal grant money received for police department equipment and training programs.

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.

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 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 committed to fund major repair, replacement and improvement of City owned buildings and land.

Tax Increment Financing Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Special Assessment Construction Fund

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

I-675 Corridor Tax Increment Financing Fund

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

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,772,850	\$64,383	\$1,701,895	\$4,539,128
Receivables:				
Other Local Taxes	0	0	27,788	27,788
Municipal Income Taxes	210,000	0	0	210,000
Revenue in Lieu of Taxes	0	0	608,462	608,462
Interfund	36,235	0	0	36,235
Accounts	0	499,520	0	499,520
Special Assessments	0	306,914	0	306,914
Intergovernmental	740,946	0	0	740,946
Assets Held for Resale	83,623	0	0	83,623
Materials and Supplies Inventory	150,321	0	0	150,321
<i>Total Assets</i>	<u>\$3,993,975</u>	<u>\$870,817</u>	<u>\$2,338,145</u>	<u>\$7,202,937</u>
Liabilities:				
Accounts Payable	\$80,148	\$0	\$83,082	\$163,230
Interfund Payable	265,000	0	0	265,000
Accrued Wages Payable	21,081	0	2,717	23,798
Intergovernmental Payable	14,681	0	1,934	16,615
Accrued Interest Payable	90	0	11,923	12,013
Notes Payable	20,000	0	2,166,938	2,186,938
<i>Total Liabilities</i>	<u>401,000</u>	<u>0</u>	<u>2,266,594</u>	<u>2,667,594</u>
Deferred Inflows of Resources:				
Revenue in Lieu of Taxes	0	0	608,462	608,462
Unavailable Revenue	705,833	806,434	1,226	1,513,493
<i>Total Deferred Inflows of Resources</i>	<u>705,833</u>	<u>806,434</u>	<u>609,688</u>	<u>2,121,955</u>
Fund Balances:				
Nonspendable	150,321	0	0	150,321
Restricted	2,720,939	64,383	512,954	3,298,276
Committed	48,879	0	383,588	432,467
Assigned	0	0	633,701	633,701
Unassigned (Deficit)	(32,997)	0	(2,068,380)	(2,101,377)
<i>Total Fund Balances (Deficit)</i>	<u>2,887,142</u>	<u>64,383</u>	<u>(538,137)</u>	<u>2,413,388</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,993,975</u>	<u>\$870,817</u>	<u>\$2,338,145</u>	<u>\$7,202,937</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	\$0	\$0	\$213,116	\$213,116
Municipal Income Taxes	132,000	0	0	132,000
Revenue in Lieu of Taxes	0	0	506,595	506,595
Fines, Licenses and Permits	375,488	0	220,217	595,705
Charges for Services	41,582	78,167	80,922	200,671
Investment Earnings	8,931	23,869	5,480	38,280
Intergovernmental	1,824,117	0	0	1,824,117
Special Assessments	0	165,207	0	165,207
Contributions and Donations	15,076	0	0	15,076
Other	111,066	0	7,162	118,228
<i>Total Revenues</i>	<u>2,508,260</u>	<u>267,243</u>	<u>1,033,492</u>	<u>3,808,995</u>
Expenditures:				
Current:				
General Government	82,172	2,410	371,908	456,490
Public Safety	443,166	0	0	443,166
Leisure Time Activities	0	0	3,916	3,916
Community Development	371,813	0	0	371,813
Transportation and Street Repair	1,189,719	0	0	1,189,719
Public Health and Welfare	117,643	0	0	117,643
Capital Outlay	341,559	0	336,900	678,459
Intergovernmental	0	0	315,411	315,411
Debt Service:				
Principal Retirement	290,000	159,000	342,515	791,515
Interest and Fiscal Charges	3,863	167,384	38,912	210,159
<i>Total Expenditures</i>	<u>2,839,935</u>	<u>328,794</u>	<u>1,409,562</u>	<u>4,578,291</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(331,675)</u>	<u>(61,551)</u>	<u>(376,070)</u>	<u>(769,296)</u>
Other Financing Sources (Uses):				
Notes Issued	250,000	0	255,000	505,000
Proceeds from Sale of Capital Assets	5,836	0	0	5,836
Premium on Debt Issued	2,172	0	2,172	4,344
Transfers-In	175,920	0	463,300	639,220
Transfers-Out	(50,000)	0	(416,830)	(466,830)
<i>Total Other Financing Sources (Uses)</i>	<u>383,928</u>	<u>0</u>	<u>303,642</u>	<u>687,570</u>
<i>Net Change in Fund Balances</i>	<u>52,253</u>	<u>(61,551)</u>	<u>(72,428)</u>	<u>(81,726)</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>2,834,889</u>	<u>125,934</u>	<u>(465,709)</u>	<u>2,495,114</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$2,887,142</u></u>	<u><u>\$64,383</u></u>	<u><u>(\$538,137)</u></u>	<u><u>\$2,413,388</u></u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund	Neighborhood Stabilization Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$955,523	\$195,073	\$38,646	\$50,350	\$10,641
Receivables:					
Municipal Income Taxes	210,000	0	0	0	0
Interfund	0	0	0	0	0
Intergovernmental	642,479	52,097	0	0	0
Assets Held for Resale	0	0	15,315	0	44,255
Materials and Supplies Inventory	150,321	0	0	0	0
<i>Total Assets</i>	<u>\$1,958,323</u>	<u>\$247,170</u>	<u>\$53,961</u>	<u>\$50,350</u>	<u>\$54,896</u>
Liabilities:					
Accounts Payable	\$8,841	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0	0
Accrued Wages Payable	13,101	1,469	0	858	0
Intergovernmental Payable	8,118	772	0	613	0
Accrued Interest Payable	90	0	0	0	0
Notes Payable	20,000	0	0	0	0
<i>Total Liabilities</i>	<u>50,150</u>	<u>2,241</u>	<u>0</u>	<u>1,471</u>	<u>0</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>667,019</u>	<u>37,059</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Nonspendable	150,321	0	0	0	0
Restricted	1,090,833	207,870	53,961	0	54,896
Committed	0	0	0	48,879	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,241,154</u>	<u>207,870</u>	<u>53,961</u>	<u>48,879</u>	<u>54,896</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,958,323</u>	<u>\$247,170</u>	<u>\$53,961</u>	<u>\$50,350</u>	<u>\$54,896</u>

Neighborhood Stabilization II Fund	Community Development Block Grant Fund	Victim Witness Fund	Home Fund	Justice Reinvestment and Incentive Grant Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
\$3,000	\$117,200	\$15,664	\$151,934	\$0	\$66,313	\$12,756
0	0	0	0	0	0	0
0	0	0	0	36,235	0	0
0	24,554	21,816	0	0	0	0
24,053	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$27,053</u>	<u>\$141,754</u>	<u>\$37,480</u>	<u>\$151,934</u>	<u>\$36,235</u>	<u>\$66,313</u>	<u>\$12,756</u>
\$0	\$0	\$990	\$56,730	\$0	\$6,594	\$0
0	140,000	0	125,000	0	0	0
0	1,550	3,030	0	0	0	0
0	1,326	2,776	324	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	142,876	6,796	182,054	0	6,594	0
0	1,755	0	0	0	0	0
0	0	0	0	0	0	0
27,053	0	30,684	0	36,235	59,719	12,756
0	0	0	0	0	0	0
0	(2,877)	0	(30,120)	0	0	0
<u>27,053</u>	<u>(2,877)</u>	<u>30,684</u>	<u>(30,120)</u>	<u>36,235</u>	<u>59,719</u>	<u>12,756</u>
<u>\$27,053</u>	<u>\$141,754</u>	<u>\$37,480</u>	<u>\$151,934</u>	<u>\$36,235</u>	<u>\$66,313</u>	<u>\$12,756</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017
(Continued)

	Indigent Drivers Alcohol Treatment Fund	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$282,435	\$5,883	\$47,658	\$151,417	\$3,570
Receivables:					
Municipal Income Taxes	0	0	0	0	0
Interfund	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$282,435</u>	<u>\$5,883</u>	<u>\$47,658</u>	<u>\$151,417</u>	<u>\$3,570</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0	0
Accrued Wages Payable	0	0	0	1,006	0
Intergovernmental Payable	0	0	0	704	0
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,710</u>	<u>0</u>
Deferred Inflows of Resources:					
Unavailable Revenue	0	0	0	0	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	282,435	5,883	47,658	149,707	3,570
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>282,435</u>	<u>5,883</u>	<u>47,658</u>	<u>149,707</u>	<u>3,570</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$282,435</u>	<u>\$5,883</u>	<u>\$47,658</u>	<u>\$151,417</u>	<u>\$3,570</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Moving Ohio Forward Fund	Total Nonmajor Special Revenue Funds
\$98,238	\$436,445	\$93,129	\$36,975	\$2,772,850
0	0	0	0	210,000
0	0	0	0	36,235
0	0	0	0	740,946
0	0	0	0	83,623
0	0	0	0	150,321
<u>\$98,238</u>	<u>\$436,445</u>	<u>\$93,129</u>	<u>\$36,975</u>	<u>\$3,993,975</u>
\$541	\$5,320	\$1,132	\$0	\$80,148
0	0	0	0	265,000
0	67	0	0	21,081
0	48	0	0	14,681
0	0	0	0	90
0	0	0	0	20,000
<u>541</u>	<u>5,435</u>	<u>1,132</u>	<u>0</u>	<u>401,000</u>
0	0	0	0	705,833
0	0	0	0	150,321
97,697	431,010	91,997	36,975	2,720,939
0	0	0	0	48,879
0	0	0	0	(32,997)
<u>97,697</u>	<u>431,010</u>	<u>91,997</u>	<u>36,975</u>	<u>2,887,142</u>
<u>\$98,238</u>	<u>\$436,445</u>	<u>\$93,129</u>	<u>\$36,975</u>	<u>\$3,993,975</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, 2017

	Street Maintenance and Repair Fund	State Highway Fund	Community Development Fund	Cemetery Fund	Neighborhood Stabilization Fund
Revenues:					
Municipal Income Taxes	\$132,000	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	12	30,829	0
Investment Earnings	6,931	1,564	0	0	0
Intergovernmental	1,178,340	95,543	34,383	0	0
Contributions and Donations	0	0	0	0	0
Other	85,252	499	1,337	627	0
<i>Total Revenues</i>	<u>1,402,523</u>	<u>97,606</u>	<u>35,732</u>	<u>31,456</u>	<u>0</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	431	0	6,560
Transportation and Street Repair	1,102,969	86,750	0	0	0
Public Health and Welfare	0	0	0	117,643	0
Capital Outlay	253,912	6,322	0	2,191	0
Debt Service:					
Principal Retirement	270,000	0	0	0	0
Interest and Fiscal Charges	3,863	0	0	0	0
<i>Total Expenditures</i>	<u>1,630,744</u>	<u>93,072</u>	<u>431</u>	<u>119,834</u>	<u>6,560</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(228,221)</u>	<u>4,534</u>	<u>35,301</u>	<u>(88,378)</u>	<u>(6,560)</u>
Other Financing Sources (Uses):					
Notes Issued	250,000	0	0	0	0
Proceeds from Sale of Capital Assets	5,836	0	0	0	0
Premium on Debt Issued	2,172	0	0	0	0
Transfers-In	0	0	0	108,720	0
Transfers-Out	(50,000)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>208,008</u>	<u>0</u>	<u>0</u>	<u>108,720</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(20,213)</u>	<u>4,534</u>	<u>35,301</u>	<u>20,342</u>	<u>(6,560)</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,261,367</u>	<u>203,336</u>	<u>18,660</u>	<u>28,537</u>	<u>61,456</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,241,154</u>	<u>\$207,870</u>	<u>\$53,961</u>	<u>\$48,879</u>	<u>\$54,896</u>

Neighborhood Stabilization II Fund	Community Development Block Grant Fund	Victim Witness Fund	Home Fund	Justice Reinvestment and Incentive Grant Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	2,987
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	156,906	148,799	136,678	37,393	0	0
0	0	0	0	0	15,076	0
2,301	1,585	1,087	13,252	0	2,900	0
2,301	158,491	149,886	149,930	37,393	17,976	2,987
0	0	0	0	1,158	0	0
0	0	212,465	0	0	22,706	0
0	158,669	0	204,665	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	1,140	0	0	25,451	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	158,669	213,605	204,665	1,158	48,157	0
2,301	(178)	(63,719)	(54,735)	36,235	(30,181)	2,987
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	67,200	0	0	0	0
0	0	0	0	0	0	0
0	0	67,200	0	0	0	0
2,301	(178)	3,481	(54,735)	36,235	(30,181)	2,987
24,752	(2,699)	27,203	24,615	0	89,900	9,769
\$27,053	(\$2,877)	\$30,684	(\$30,120)	\$36,235	\$59,719	\$12,756

(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, 2017
(Continued)

	Indigent Drivers Alcohol Treatment Fund	Alcohol Enforcement and Education Fund	Federal Forfeitures Fund	Municipal Probation Services Fund	Traffic Intervention Fund
Revenues:					
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	49,103	1,922	0	110,124	16,181
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	436	0	0
Intergovernmental	0	0	6,525	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	2,226	0	0
<i>Total Revenues</i>	<u>49,103</u>	<u>1,922</u>	<u>9,187</u>	<u>110,124</u>	<u>16,181</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	47,299	1,402	13,857	84,497	13,389
Community Development	0	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	20,000	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>47,299</u>	<u>1,402</u>	<u>33,857</u>	<u>84,497</u>	<u>13,389</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,804</u>	<u>520</u>	<u>(24,670)</u>	<u>25,627</u>	<u>2,792</u>
Other Financing Sources (Uses):					
Notes Issued	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Premium on Debt Issued	0	0	0	0	0
Transfers-In	0	0	0	0	0
Transfers-Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>1,804</u>	<u>520</u>	<u>(24,670)</u>	<u>25,627</u>	<u>2,792</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>280,631</u>	<u>5,363</u>	<u>72,328</u>	<u>124,080</u>	<u>778</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$282,435</u>	<u>\$5,883</u>	<u>\$47,658</u>	<u>\$149,707</u>	<u>\$3,570</u>

Court Legal Research/ Computerization Fund	Court Clerk Computerization Fund	Indigent Driver's Interlock and Alcohol Monitoring Fund	Byrne Justice Assistance Grant Fund	Moving Ohio Forward Fund	Federal Emergency Management Agency	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$132,000
20,246	146,204	28,721	0	0	0	375,488
0	0	0	0	10,741	0	41,582
0	0	0	0	0	0	8,931
0	0	0	23,483	0	6,067	1,824,117
0	0	0	0	0	0	15,076
0	0	0	0	0	0	111,066
20,246	146,204	28,721	23,483	10,741	6,067	2,508,260
0	81,014	0	0	0	0	82,172
541	0	32,142	0	0	14,868	443,166
0	0	0	0	1,488	0	371,813
0	0	0	0	0	0	1,189,719
0	0	0	0	0	0	117,643
11,307	17,753	0	23,483	0	0	341,559
0	0	0	0	0	0	290,000
0	0	0	0	0	0	3,863
11,848	98,767	32,142	23,483	1,488	14,868	2,839,935
8,398	47,437	(3,421)	0	9,253	(8,801)	(331,675)
0	0	0	0	0	0	250,000
0	0	0	0	0	0	5,836
0	0	0	0	0	0	2,172
0	0	0	0	0	0	175,920
0	0	0	0	0	0	(50,000)
0	0	0	0	0	0	383,928
8,398	47,437	(3,421)	0	9,253	(8,801)	52,253
89,299	383,573	95,418	0	27,722	8,801	2,834,889
\$97,697	\$431,010	\$91,997	\$0	\$36,975	\$0	\$2,887,142

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$270,367	\$637,925	\$175,290
Receivables:			
Other Local Taxes	0	0	27,788
Revenue in Lieu of Taxes	0	0	0
<i>Total Assets</i>	<u>\$270,367</u>	<u>\$637,925</u>	<u>\$203,078</u>
Liabilities:			
Accounts Payable	\$0	\$4,224	\$0
Accrued Wages Payable	2,717	0	0
Intergovernmental Payable	1,934	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>4,651</u>	<u>4,224</u>	<u>0</u>
Deferred Inflows of Resources:			
Revenue in Lieu of Taxes	0	0	0
Unavailable Revenue	0	0	1,226
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>1,226</u>
Fund Balances:			
Restricted	265,716	0	0
Committed	0	0	201,852
Assigned	0	633,701	0
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>265,716</u>	<u>633,701</u>	<u>201,852</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$270,367</u>	<u>\$637,925</u>	<u>\$203,078</u>

Building and Land Fund	Tax Increment Financing Fund	Special Assessment Construction Fund	I-675 Corridor TIF Fund	Total Nonmajor Capital Projects Funds
\$190,006	\$247,238	\$180,496	\$573	\$1,701,895
0	0	0	0	27,788
0	608,462	0	0	608,462
<u>\$190,006</u>	<u>\$855,700</u>	<u>\$180,496</u>	<u>\$573</u>	<u>\$2,338,145</u>
\$5,743	\$0	\$73,115	\$0	\$83,082
0	0	0	0	2,717
0	0	0	0	1,934
12	0	774	11,137	11,923
2,515	0	140,579	2,023,844	2,166,938
<u>8,270</u>	<u>0</u>	<u>214,468</u>	<u>2,034,981</u>	<u>2,266,594</u>
0	608,462	0	0	608,462
0	0	0	0	1,226
<u>0</u>	<u>608,462</u>	<u>0</u>	<u>0</u>	<u>609,688</u>
0	247,238	0	0	512,954
181,736	0	0	0	383,588
0	0	0	0	633,701
0	0	(33,972)	(2,034,408)	(2,068,380)
<u>181,736</u>	<u>247,238</u>	<u>(33,972)</u>	<u>(2,034,408)</u>	<u>(538,137)</u>
<u>\$190,006</u>	<u>\$855,700</u>	<u>\$180,496</u>	<u>\$573</u>	<u>\$2,338,145</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, 2017

	Court Special Projects Fund	General Capital Improvement Fund	Parks and Recreation Improvements Fund	Building and Land Fund
Revenues:				
Other Local Taxes	\$0	\$0	\$213,116	\$0
Revenue in Lieu of Taxes	0	0	0	0
Fines, Licenses and Permits	220,217	0	0	0
Charges for Services	0	0	18,251	0
Investment Earnings	0	4,026	1,454	0
Other	0	0	4,910	0
<i>Total Revenues</i>	<u>220,217</u>	<u>4,026</u>	<u>237,731</u>	<u>0</u>
Expenditures:				
Current:				
General Government	176,224	13,979	0	96,061
Leisure Time Activities	0	0	3,916	0
Capital Outlay	27,405	30,998	178,023	49,634
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	257,515
Interest and Fiscal Charges	0	131	0	4,175
<i>Total Expenditures</i>	<u>203,629</u>	<u>45,108</u>	<u>181,939</u>	<u>407,385</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,588</u>	<u>(41,082)</u>	<u>55,792</u>	<u>(407,385)</u>
Other Financing Sources (Uses):				
Notes Issued	0	0	0	255,000
Premium on Debt Issued	0	0	0	2,172
Transfers-In	0	215,320	0	247,980
Transfers-Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>215,320</u>	<u>0</u>	<u>505,152</u>
<i>Net Change in Fund Balances</i>	<u>16,588</u>	<u>174,238</u>	<u>55,792</u>	<u>97,767</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>249,128</u>	<u>459,463</u>	<u>146,060</u>	<u>83,969</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$265,716</u>	<u>\$633,701</u>	<u>\$201,852</u>	<u>\$181,736</u>

Tax Increment Financing Fund	Special Assessment Construction Fund	I-675 Corridor TIF Fund	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$213,116
506,595	0	0	506,595
0	0	0	220,217
0	62,671	0	80,922
0	0	0	5,480
0	2,252	0	7,162
506,595	64,923	0	1,033,492
1,580	84,064	0	371,908
0	0	0	3,916
0	50,840	0	336,900
315,411	0	0	315,411
85,000	0	0	342,515
30,863	1,132	2,611	38,912
432,854	136,036	2,611	1,409,562
73,741	(71,113)	(2,611)	(376,070)
0	0	0	255,000
0	0	0	2,172
0	0	0	463,300
0	0	(416,830)	(416,830)
0	0	(416,830)	303,642
73,741	(71,113)	(419,441)	(72,428)
173,497	37,141	(1,614,967)	(465,709)
\$247,238	(\$33,972)	(\$2,034,408)	(\$538,137)

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Internal Service Funds

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

Equipment Fund

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

Information Technology Fund

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

Employee Assistance Program Fund

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

Jefferson Health Plan Fund

To account for and report the operation of the City's self-insurance program for employee health benefits and prescription drugs. This fund had no cash activity during 2017, therefore no budgetary statement is presented.

City of Fairborn, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2017

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$136,337	\$198,050	\$135,885	\$647,756	\$1,118,028
Materials and Supplies Inventory	90,720	0	0	0	90,720
<i>Total Current Assets</i>	<u>227,057</u>	<u>198,050</u>	<u>135,885</u>	<u>647,756</u>	<u>1,208,748</u>
Non-current Assets					
Nondepreciable Capital Assets	0	2,089	0	0	2,089
Depreciable Capital Assets, Net	80,186	161,664	0	0	241,850
<i>Total Non-current Assets</i>	<u>80,186</u>	<u>163,753</u>	<u>0</u>	<u>0</u>	<u>243,939</u>
<i>Total Assets</i>	<u>307,243</u>	<u>361,803</u>	<u>135,885</u>	<u>647,756</u>	<u>1,452,687</u>
Deferred Outflows of Resources:					
Pension	222,651	166,987	0	0	389,638
Liabilities:					
Current Liabilities					
Accounts Payable	52,681	21,799	0	0	74,480
Claims Payable	0	0	0	141,930	141,930
Accrued Wages Payable	7,581	5,482	0	0	13,063
Intergovernmental Payable	5,550	4,766	0	0	10,316
Capital Lease Payable	3,544	0	0	0	3,544
Compensated Absences Payable	31,235	11,541	0	0	42,776
<i>Total Current Liabilities</i>	<u>100,591</u>	<u>43,588</u>	<u>0</u>	<u>141,930</u>	<u>286,109</u>
Long-Term Liabilities					
Claims Payable	0	0	0	387,006	387,006
Compensated Absences Payable	14,166	1,724	0	0	15,890
Net Pension Liability	562,850	422,135	0	0	984,985
<i>Total Long-Term Liabilities</i>	<u>577,016</u>	<u>423,859</u>	<u>0</u>	<u>387,006</u>	<u>1,387,881</u>
<i>Total Liabilities</i>	<u>677,607</u>	<u>467,447</u>	<u>0</u>	<u>528,936</u>	<u>1,673,990</u>
Deferred Inflows of Resources:					
Pension	3,501	2,627	0	0	6,128
Net Position:					
Net Investment in Capital Assets	76,642	163,753	0	0	240,395
Unrestricted (Deficit)	(227,856)	(105,037)	135,885	118,820	(78,188)
<i>Total Net Position (Deficit)</i>	<u>(\$151,214)</u>	<u>\$58,716</u>	<u>\$135,885</u>	<u>\$118,820</u>	<u>\$162,207</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, 2017

	Equipment Fund	Information Technology Fund	Employee Assistance Program Fund	Jefferson Health Plan Fund	Total
Operating Revenues:					
Charges for Services	\$1,218,502	\$639,357	\$0	\$3,080,731	\$4,938,590
Other	66	3,986	14,095	321,231	339,378
<i>Total Operating Revenues</i>	<u>1,218,568</u>	<u>643,343</u>	<u>14,095</u>	<u>3,401,962</u>	<u>5,277,968</u>
Operating Expenses:					
Personal Services	629,607	443,469	20,393	0	1,093,469
Contracual Services	1,132	185,350	4,250	805,952	996,684
Materials and Supplies	684,361	8,817	0	0	693,178
Claims	0	0	0	2,583,562	2,583,562
Depreciation	17,044	37,691	0	0	54,735
<i>Total Operating Expenses</i>	<u>1,332,144</u>	<u>675,327</u>	<u>24,643</u>	<u>3,389,514</u>	<u>5,421,628</u>
<i>Operating Income (Loss)</i>	<u>(113,576)</u>	<u>(31,984)</u>	<u>(10,548)</u>	<u>12,448</u>	<u>(143,660)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	0	0	1,176	4,830	6,006
Interest and Fiscal Charges	(310)	0	0	0	(310)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(310)</u>	<u>0</u>	<u>1,176</u>	<u>4,830</u>	<u>5,696</u>
<i>Change in Net Position</i>	<u>(113,886)</u>	<u>(31,984)</u>	<u>(9,372)</u>	<u>17,278</u>	<u>(137,964)</u>
<i>Net Position (Deficit) at Beginning of Year</i>	<u>(37,328)</u>	<u>90,700</u>	<u>145,257</u>	<u>101,542</u>	<u>300,171</u>
<i>Net Position (Deficit) at End of Year</i>	<u>(\$151,214)</u>	<u>\$58,716</u>	<u>\$135,885</u>	<u>\$118,820</u>	<u>\$162,207</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	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	\$1,218,502	\$639,357	\$0	\$3,080,731	\$4,938,590
Cash Received From Other Operating Revenues	66	3,986	14,095	0	18,147
Cash Payments for Claims	0	0	0	(2,538,758)	(2,538,758)
Cash Payments for Employee Services and Benefits	(549,887)	(379,697)	(20,393)	0	(949,977)
Cash Payments to Suppliers	(671,297)	(176,845)	(4,250)	(484,721)	(1,337,113)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(2,616)</u>	<u>86,801</u>	<u>(10,548)</u>	<u>57,252</u>	<u>130,889</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	0	(93,272)	0	0	(93,272)
Capital Lease Principal Payments	(6,907)	0	0	0	(6,907)
Capital Lease Interest Payments	(310)	0	0	0	(310)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(7,217)</u>	<u>(93,272)</u>	<u>0</u>	<u>0</u>	<u>(100,489)</u>
Cash Flows from Investing Activities:					
Interest	<u>0</u>	<u>0</u>	<u>1,176</u>	<u>4,830</u>	<u>6,006</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(9,833)</u>	<u>(6,471)</u>	<u>(9,372)</u>	<u>62,082</u>	<u>36,406</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>146,170</u>	<u>204,521</u>	<u>145,257</u>	<u>585,674</u>	<u>1,081,622</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$136,337</u></u>	<u><u>\$198,050</u></u>	<u><u>\$135,885</u></u>	<u><u>\$647,756</u></u>	<u><u>\$1,118,028</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(\$113,576)	(\$31,984)	(\$10,548)	\$12,448	(\$143,660)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	17,044	37,691	0	0	54,735
Changes in Assets and Liabilities:					
Decrease in Materials and Supplies Inventory	2,169		0	0	2,169
Decrease in Deferred Outflows of Resources - Pension	72,655	54,493	0	0	127,148
Increase in Accounts Payable	12,027	17,322	0	0	29,349
Increase in Claims Payable	0	0	0	44,804	44,804
Increase in Accrued Wages Payable	693	249	0	0	942
Increase in Intergovernmental Payable	503	751	0	0	1,254
Increase in Compensated Absences Payable	801	4,480	0	0	5,281
Increase in Net Pension Liability	12,602	9,449	0	0	22,051
Decrease in Deferred Inflows of Resources - Pension	(7,534)	(5,650)	0	0	(13,184)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$2,616)</u></u>	<u><u>\$86,801</u></u>	<u><u>(\$10,548)</u></u>	<u><u>\$57,252</u></u>	<u><u>\$130,889</u></u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Agency Funds

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

Municipal Court Fund

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

Fire Loss Escrow Fund

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

City of Fairborn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance at 12/31/2016	Additions	Reductions	Balance at 12/31/2017
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$194,050	\$4,518,808	\$4,442,591	\$270,267
Liabilities:				
Undistributed Monies	\$194,050	\$4,518,808	\$4,442,591	\$270,267
<u>Fire Loss Escrow Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$18,000	\$0	\$18,000	\$0
Liabilities:				
Undistributed Monies	\$18,000	\$0	\$18,000	\$0
<u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$212,050	\$4,518,808	\$4,460,591	\$270,267
Liabilities:				
Undistributed Monies	\$212,050	\$4,518,808	\$4,460,591	\$270,267

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$825,907	\$824,924	(\$983)
Other Local Taxes	692,234	616,961	(75,273)
Municipal Income Taxes	8,660,661	8,661,701	1,040
Fines, Licenses and Permits	1,517,732	1,514,413	(3,319)
Charges for Services	3,369,263	3,359,748	(9,515)
Investment Earnings	200,000	227,500	27,500
Intergovernmental	1,010,522	1,000,899	(9,623)
Special Assessments	29,686	28,932	(754)
Other	254,222	263,283	9,061
<i>Total Revenues</i>	<u>16,560,227</u>	<u>16,498,361</u>	<u>(61,866)</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	128,952	128,390	562
Contractual Services	86,292	80,554	5,738
Materials and Supplies	6,541	6,470	71
<i>Total City Council</i>	<u>221,785</u>	<u>215,414</u>	<u>6,371</u>
Municipal Court			
Personal Services	1,841,166	1,788,454	52,712
Contractual Services	325,297	324,200	1,097
Materials and Supplies	46,649	46,432	217
<i>Total Municipal Court</i>	<u>2,213,112</u>	<u>2,159,086</u>	<u>54,026</u>
Jail Diversion Grant			
Personal Services	34,688	34,677	11
Contractual Services	15,806	15,806	0
<i>Total Jail Diversion Grant</i>	<u>50,494</u>	<u>50,483</u>	<u>11</u>
City Manager's Office			
Personal Services	570,633	560,288	10,345
Contractual Services	36,611	36,489	122
Materials and Supplies	17,770	17,483	287
<i>Total City Manager's Office</i>	<u>625,014</u>	<u>614,260</u>	<u>10,754</u>
Administration and General Accounting			
Personal Services	657,397	586,931	70,466
Contractual Services	58,866	43,420	15,446
Materials and Supplies	15,632	15,627	5
<i>Total Administration and General Accounting</i>	<u>731,895</u>	<u>645,978</u>	<u>85,917</u>
Utilities Accounting			
Personal Services	266,668	256,193	10,475
Contractual Services	134,174	132,884	1,290
Materials and Supplies	10,489	9,690	799
<i>Total Utilities Accounting</i>	<u>\$411,331</u>	<u>\$398,767</u>	<u>\$12,564</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2017
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Income Tax Accounting			
Personal Services	\$146,521	\$126,919	\$19,602
Contractual Services	525,419	406,627	118,792
Materials and Supplies	8,727	8,567	160
<i>Total City Income Tax Accounting</i>	<u>680,667</u>	<u>542,113</u>	<u>138,554</u>
Legal Department			
Personal Services	239,260	238,079	1,181
Contractual Services	52,483	45,992	6,491
Materials and Supplies	7,050	6,500	550
<i>Total Legal Department</i>	<u>298,793</u>	<u>290,571</u>	<u>8,222</u>
Personnel Department			
Personal Services	161,834	141,556	20,278
Contractual Services	157,219	106,719	50,500
Materials and Supplies	9,325	8,235	1,090
<i>Total Personnel Department</i>	<u>328,378</u>	<u>256,510</u>	<u>71,868</u>
Engineering and Drafting			
Personal Services	473,918	471,830	2,088
Contractual Services	29,194	25,166	4,028
Materials and Supplies	11,523	10,872	651
<i>Total Engineering and Drafting</i>	<u>514,635</u>	<u>507,868</u>	<u>6,767</u>
Plant Maintenance			
Personal Services	465,461	443,249	22,212
Contractual Services	183,939	183,442	497
Materials and Supplies	94,332	94,279	53
<i>Total Plant Maintenance</i>	<u>743,732</u>	<u>720,970</u>	<u>22,762</u>
Contingency			
Personal Services	67,674	57,741	9,933
Contractual Services	1,378,941	1,257,647	121,294
Materials and Supplies	18,856	17,832	1,024
<i>Total Contingency</i>	<u>1,465,471</u>	<u>1,333,220</u>	<u>132,251</u>
<i>Total General Government</i>	<u>8,285,307</u>	<u>7,735,240</u>	<u>550,067</u>
Leisure Time Activities			
Parks and Recreation			
Personal Services	199,240	196,401	2,839
Contractual Services	82,708	82,362	346
Materials and Supplies	47,225	45,263	1,962
<i>Total Leisure Time Activities</i>	<u>\$329,173</u>	<u>\$324,026</u>	<u>\$5,147</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2017
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Development			
Community Development Urban Planner			
Personal Services	\$406,668	\$376,368	\$30,300
Contractual Services	248,505	207,883	40,622
Materials and Supplies	8,164	8,052	112
<i>Total Community Development Urban Planner</i>	<u>663,337</u>	<u>592,303</u>	<u>71,034</u>
Building Inspection and Zoning Enforcement			
Personal Services	290,450	273,726	16,724
Contractual Services	111,375	111,111	264
Materials and Supplies	12,503	11,459	1,044
<i>Total Building Inspection and Zoning Enforcement</i>	<u>414,328</u>	<u>396,296</u>	<u>18,032</u>
Economic Development			
Personal Services	155,548	150,854	4,694
Contractual Services	374,227	374,227	0
Materials and Supplies	11,594	11,370	224
<i>Total Economic Development</i>	<u>541,369</u>	<u>536,451</u>	<u>4,918</u>
<i>Total Community Development</i>	<u>1,619,034</u>	<u>1,525,050</u>	<u>93,984</u>
Capital Outlay	<u>525,299</u>	<u>511,375</u>	<u>13,924</u>
Debt Service:			
Interest and Fiscal Charges	<u>93,300</u>	<u>74,970</u>	<u>18,330</u>
<i>Total Expenditures</i>	<u>10,852,113</u>	<u>10,170,661</u>	<u>681,452</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,708,114</u>	<u>6,327,700</u>	<u>619,586</u>
Other Financing Sources (Uses):			
Advances-In	154,000	154,000	0
Advances-Out	(340,000)	(215,000)	125,000
Transfers-Out	<u>(7,630,166)</u>	<u>(7,537,820)</u>	<u>92,346</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(7,816,166)</u>	<u>(7,598,820)</u>	<u>217,346</u>
<i>Net Change in Fund Balance</i>	(2,108,052)	(1,271,120)	836,932
<i>Fund Balance at Beginning of Year</i>	9,194,578	9,194,578	0
<i>Prior Year Encumbrances Appropriated</i>	<u>712,159</u>	<u>712,159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,798,685</u></u>	<u><u>\$8,635,617</u></u>	<u><u>\$836,932</u></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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,151,880	\$2,151,880	\$0
Fines, Licenses and Permits	1,200	1,735	535
Charges for Services	1,911,723	1,953,927	42,204
Intergovernmental	281,313	281,202	(111)
Other	47,000	49,013	2,013
<i>Total Revenues</i>	<u>4,393,116</u>	<u>4,437,757</u>	<u>44,641</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	250,206	237,909	12,297
Contractual Services	526,471	500,342	26,129
Materials and Supplies	32,645	32,545	100
<i>Total Fire Administrative Services</i>	<u>809,322</u>	<u>770,796</u>	<u>38,526</u>
Fire Life Safety			
Personal Services	127,705	127,084	621
Contractual Services	595	595	0
Materials and Supplies	6,655	6,351	304
<i>Total Fire Life Safety</i>	<u>134,955</u>	<u>134,030</u>	<u>925</u>
Fire Operations			
Personal Services	5,694,167	5,631,056	63,111
Contractual Services	131,618	121,075	10,543
Materials and Supplies	215,127	214,326	801
<i>Total Fire Operations</i>	<u>6,040,912</u>	<u>5,966,457</u>	<u>74,455</u>
Training			
Personal Services	138,326	128,198	10,128
Contractual Services	3,955	3,920	35
Materials and Supplies	4,230	3,901	329
<i>Total Training</i>	<u>146,511</u>	<u>136,019</u>	<u>10,492</u>
<i>Total Public Safety</i>	<u>7,131,700</u>	<u>7,007,302</u>	<u>124,398</u>
Capital Outlay	<u>32,210</u>	<u>32,203</u>	<u>7</u>
<i>Total Expenditures</i>	<u>7,163,910</u>	<u>7,039,505</u>	<u>124,405</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,770,794)</u>	<u>(2,601,748)</u>	<u>169,046</u>
Other Financing Sources:			
Transfers-In	<u>2,756,000</u>	<u>2,756,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(14,794)</u>	<u>154,252</u>	<u>169,046</u>
<i>Fund Balance at Beginning of Year</i>	<u>274,226</u>	<u>274,226</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>178,503</u>	<u>178,503</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$437,935</u>	<u>\$606,981</u>	<u>\$169,046</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,151,866	\$2,151,881	\$15
Fines, Licenses and Permits	200	175	(25)
Charges for Services	49,123	45,542	(3,581)
Intergovernmental	565,083	561,604	(3,479)
Other	57,100	62,498	5,398
<i>Total Revenues</i>	<u>2,823,372</u>	<u>2,821,700</u>	<u>(1,672)</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	912,110	856,606	55,504
Contractual Services	511,097	475,961	35,136
Materials and Supplies	44,041	43,991	50
<i>Total Police Administrative Services</i>	<u>1,467,248</u>	<u>1,376,558</u>	<u>90,690</u>
Police Dispatch			
Personal Services	757,606	731,021	26,585
Contractual Services	63,886	62,286	1,600
<i>Total Police Dispatch</i>	<u>821,492</u>	<u>793,307</u>	<u>28,185</u>
Police Detective Section			
Personal Services	705,272	655,229	50,043
Contractual Services	10,571	10,414	157
Materials and Supplies	18,575	18,325	250
<i>Total Police Detective Section</i>	<u>734,418</u>	<u>683,968</u>	<u>50,450</u>
Police Patrol Section			
Personal Services	3,711,010	3,612,782	98,228
Contractual Services	14,450	14,050	400
Materials and Supplies	133,280	133,166	114
<i>Total Police Patrol Section</i>	<u>3,858,740</u>	<u>3,759,998</u>	<u>98,742</u>
D.A.R.E.			
Personal Services	229,619	222,778	6,841
Contractual Services	105	98	7
<i>Total D.A.R.E.</i>	<u>\$229,724</u>	<u>\$222,876</u>	<u>\$6,848</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2017
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Violence Against Women Act			
Personal Services	\$79,474	\$78,904	\$570
Contractual Services	354	354	0
<i>Total Violence Against Women Act</i>	<u>79,828</u>	<u>79,258</u>	<u>570</u>
<i>Total Public Safety</i>	7,191,450	6,915,965	275,485
Capital Outlay	<u>18,410</u>	<u>18,402</u>	<u>8</u>
<i>Total Expenditures</i>	<u>7,209,860</u>	<u>6,934,367</u>	<u>275,493</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,386,488)</u>	<u>(4,112,667)</u>	<u>273,821</u>
Other Financing Sources:			
Transfers-In	<u>4,299,000</u>	<u>3,942,600</u>	<u>(356,400)</u>
<i>Net Change in Fund Balance</i>	(87,488)	(170,067)	(82,579)
<i>Fund Balance at Beginning of Year</i>	719,761	719,761	0
<i>Prior Year Encumbrances Appropriated</i>	<u>86,728</u>	<u>86,728</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$719,001</u></u>	<u><u>\$636,422</u></u>	<u><u>(\$82,579)</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,185,665	\$2,033,131	(\$152,534)
Fines, Licenses and Permits	44,200	44,172	(28)
Investment Earnings	26,900	30,590	3,690
Intergovernmental	921,658	921,670	12
Other	22,569	26,476	3,907
<i>Total Revenues</i>	<u>3,200,992</u>	<u>3,056,039</u>	<u>(144,953)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
Administration			
Contractual Services	2,900	2,553	347
Materials and Supplies	68,000	68,000	0
<i>Total Administration</i>	70,900	70,553	347
Dayton Drive Design			
Contractual Services	40,094	40,094	0
Xenia Drive Improvements Construction			
Contractual Services	28,400	28,329	71
Bluffs Inspection Services			
Contractual Services	18,391	18,391	0
Design/Right of Way Ohio/Wright Street			
Contractual Services	3,280	3,280	0
Dayton-Yellow Springs/I-675 Interchange Improvement			
Contractual Services	103,026	103,026	0
Col. Glenn Highway/Kauffman Avenue			
Contractual Services	188,967	188,967	0
Waterford Landing Inspection Services			
Contractual Services	17,101	17,101	0
Broad Street Improvements/Sandhill-Spangler			
Contractual Services	45,818	45,818	0
Maple Avenue Phase I			
Contractual Services	213,210	213,210	0
Kauffman Avenue Widening Design			
Contractual Services	300,000	300,000	0
Development Inspection Services			
Contractual Services	15,903	0	15,903
Street Tax Levy			
Contractual Services	163,231	134,879	28,352
<i>Total Transportation and Street Repair</i>	<u>\$1,208,321</u>	<u>\$1,163,648</u>	<u>\$44,673</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2017
(continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay	\$3,664,584	\$3,649,713	\$14,871
Debt Service:			
Principal Retirement	4,200	4,156	44
<i>Total Expenditures</i>	<u>4,877,105</u>	<u>4,817,517</u>	<u>59,588</u>
<i>Net Change in Fund Balance</i>	(1,676,113)	(1,761,478)	(85,365)
<i>Fund Balance at Beginning of Year</i>	2,218,081	2,218,081	0
<i>Prior Year Encumbrances Appropriated</i>	<u>951,669</u>	<u>951,669</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,493,637</u></u>	<u><u>\$1,408,272</u></u>	<u><u>(\$85,365)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Police/Fire Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$2,165,065	\$2,165,130	\$65
Contributions and Donations	4,000	4,000	0
Other	27,908	34,407	6,499
<i>Total Revenues</i>	<u>2,196,973</u>	<u>2,203,537</u>	<u>6,564</u>
Expenditures:			
Current:			
Public Safety			
Police Patrol			
Personal Services	334,967	329,171	5,796
Contractual Services	171,721	159,410	12,311
Materials and Supplies	17,927	17,927	0
<i>Total Police Patrol</i>	<u>524,615</u>	<u>506,508</u>	<u>18,107</u>
Fire Operations			
Personal Services	334,968	327,179	7,789
Contractual Services	79,400	64,040	15,360
Materials and Supplies	319,912	319,902	10
<i>Total Fire Operations</i>	<u>734,280</u>	<u>711,121</u>	<u>23,159</u>
<i>Total Public Safety</i>	<u>1,258,895</u>	<u>1,217,629</u>	<u>41,266</u>
Capital Outlay	<u>3,690,930</u>	<u>3,686,942</u>	<u>3,988</u>
Debt Service:			
Principal Retirement	250,000	250,000	0
Interest and Fiscal Charges	11,950	7,740	4,210
<i>Total Debt Service</i>	<u>261,950</u>	<u>257,740</u>	<u>4,210</u>
<i>Total Expenditures</i>	<u>5,211,775</u>	<u>5,162,311</u>	<u>49,464</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,014,802)</u>	<u>(2,958,774)</u>	<u>56,028</u>
Other Financing Sources:			
Notes Issued	2,080,000	2,080,000	0
Premium on Debt Issued	19,000	16,650	(2,350)
<i>Total Other Financing Sources</i>	<u>2,099,000</u>	<u>2,096,650</u>	<u>(2,350)</u>
<i>Net Change in Fund Balance</i>	<u>(915,802)</u>	<u>(862,124)</u>	<u>53,678</u>
<i>Fund Balance at Beginning of Year</i>	<u>858,971</u>	<u>858,971</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>346,609</u>	<u>346,609</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$289,778</u>	<u>\$343,456</u>	<u>\$53,678</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Redevelopment Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$29,670	\$29,670	\$0
Other	0	5,761	5,761
<i>Total Revenues</i>	<u>29,670</u>	<u>35,431</u>	<u>5,761</u>
Expenditures:			
Current:			
Community Development			
Neighborhood Betterment			
Contractual Services	214,705	213,816	889
Broad Street Corridor			
Contractual Services	382,551	379,783	2,768
Tangible Solutions			
Contractual Services	5,000	5,000	0
2017 Redevelopment Phase II			
Contractual Services	183,179	178,233	4,946
Third & Main Improvements			
Contractual Services	<u>1,130,000</u>	<u>1,130,000</u>	<u>0</u>
<i>Total Community Development</i>	1,915,435	1,906,832	8,603
Capital Outlay	923,401	922,206	1,195
Debt Service:			
Principal Retirement	2,025,000	2,025,000	0
Interest and Fiscal Charges	60,445	60,445	0
<i>Total Debt Service</i>	<u>2,085,445</u>	<u>2,085,445</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,924,281</u>	<u>4,914,483</u>	<u>9,798</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,894,611)</u>	<u>(4,879,052)</u>	<u>15,559</u>
Other Financing Sources:			
Notes Issued	4,051,872	4,025,000	(26,872)
Premium on Debt Issued	46,250	41,398	(4,852)
Transfers-In	250,000	250,000	0
<i>Total Other Financing Sources</i>	<u>4,348,122</u>	<u>4,316,398</u>	<u>(31,724)</u>
<i>Net Change in Fund Balance</i>	(546,489)	(562,654)	(16,165)
<i>Fund Balance at Beginning of Year</i>	521,203	521,203	0
<i>Prior Year Encumbrances Appropriated</i>	<u>361,570</u>	<u>361,570</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$336,284</u>	<u>\$320,119</u>	<u>(\$16,165)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$4,440,971	\$4,062,832	(\$378,139)
Tap-In Fees	40,000	55,690	15,690
Investment Earnings	10,000	14,074	4,074
Notes Issued	2,852,603	2,852,603	0
Premium on Debt Issued	22,441	22,441	0
Other	91,500	179,305	87,805
<i>Total Revenues</i>	<u>7,457,515</u>	<u>7,186,945</u>	<u>(270,570)</u>
Expenses:			
Personal Services	1,396,648	1,285,213	111,435
Contractual Services	2,112,576	2,020,642	91,934
Materials and Supplies	298,052	287,115	10,937
Capital Outlay	1,443,604	1,677,371	(233,767)
Debt Service:			
Principal Retirement	3,776,099	3,776,099	0
Interest and Fiscal Charges	141,007	141,007	0
<i>Total Expenses</i>	<u>9,167,986</u>	<u>9,187,447</u>	<u>(19,461)</u>
<i>Net Change in Fund Equity</i>	(1,710,471)	(2,000,502)	(290,031)
<i>Fund Equity at Beginning of Year</i>	2,766,509	2,766,509	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,295,323</u>	<u>2,295,323</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$3,351,361</u></u>	<u><u>\$3,061,330</u></u>	<u><u>(\$290,031)</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$7,175,488	\$6,359,408	(\$816,080)
Tap-In Fees	20,000	49,110	29,110
Investment Earnings	10,000	48,496	38,496
Notes Issued	3,726,400	3,726,400	0
Premium on Debt Issued	28,956	28,956	0
Other	0	19,035	19,035
<i>Total Revenues</i>	<u>10,960,844</u>	<u>10,231,405</u>	<u>(729,439)</u>
Expenses:			
Personal Services	1,448,875	1,344,710	104,165
Contractual Services	2,905,292	2,746,506	158,786
Materials and Supplies	376,150	336,595	39,555
Capital Outlay	6,447,344	6,447,344	0
Debt Service:			
Principal Retirement	4,054,250	4,054,250	0
Interest and Fiscal Charges	416,905	416,905	0
<i>Total Expenses</i>	<u>15,648,816</u>	<u>15,346,310</u>	<u>302,506</u>
<i>Net Change in Fund Equity</i>	<u>(4,687,972)</u>	<u>(5,114,905)</u>	<u>(426,933)</u>
<i>Fund Equity at Beginning of Year</i>	4,216,677	4,216,677	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,445,984</u>	<u>7,445,984</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$6,974,689</u></u>	<u><u>\$6,547,756</u></u>	<u><u>(\$426,933)</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$3,029,255	\$3,046,471	\$17,216
Other	0	916	916
<i>Total Revenues</i>	<u>3,029,255</u>	<u>3,047,387</u>	<u>18,132</u>
Expenses:			
Personal Services	165,626	159,064	6,562
Contractual Services	3,036,442	3,028,460	7,982
Materials and Supplies	16,249	14,632	1,617
Capital Outlay	272,319	272,314	5
<i>Total Expenses</i>	<u>3,490,636</u>	<u>3,474,470</u>	<u>16,166</u>
<i>Net Change in Fund Equity</i>	(461,381)	(427,083)	34,298
<i>Fund Equity at Beginning of Year</i>	554,927	554,927	0
<i>Prior Year Encumbrances Appropriated</i>	<u>445,241</u>	<u>445,241</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$538,787</u></u>	<u><u>\$573,085</u></u>	<u><u>\$34,298</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$132,000	\$132,000	\$0
Investment Earnings	4,600	6,931	2,331
Intergovernmental	1,120,000	1,177,479	57,479
Other	110,000	85,252	(24,748)
<i>Total Revenues</i>	<u>1,366,600</u>	<u>1,401,662</u>	<u>35,062</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	84,338	77,867	6,471
Contractual Services	143,886	137,388	6,498
Materials and Supplies	3,750	3,403	347
<i>Total General Street Administration</i>	<u>231,974</u>	<u>218,658</u>	<u>13,316</u>
Maintenance and Repairs			
Personal Services	490,258	467,300	22,958
Contractual Services	6,244	6,224	20
Materials and Supplies	221,065	202,635	18,430
<i>Total Maintenance and Repairs</i>	<u>717,567</u>	<u>676,159</u>	<u>41,408</u>
Traffic Signs and Signals			
Personal Services	231,683	229,540	2,143
Contractual Services	38,224	38,224	0
Materials and Supplies	51,450	50,597	853
<i>Total Traffic Signs and Signals</i>	<u>321,357</u>	<u>318,361</u>	<u>2,996</u>
<i>Total Transportation and Street Repair</i>	<u>1,270,898</u>	<u>1,213,178</u>	<u>57,720</u>
Capital Outlay	284,082	275,965	8,117
Debt Service:			
Principal Retirement	290,000	290,000	0
Interest and Fiscal Charges	4,615	4,185	430
<i>Total Expenditures</i>	<u>1,849,595</u>	<u>1,783,328</u>	<u>66,267</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(482,995)</u>	<u>(381,666)</u>	<u>101,329</u>
Other Financing Sources (Uses):			
Notes Issued	266,500	270,000	3,500
Premium on Debt Issued	2,000	2,172	172
Proceeds from Sale of Capital Assets	0	5,836	5,836
Transfers Out	(50,000)	(50,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>218,500</u>	<u>228,008</u>	<u>9,508</u>
<i>Net Change in Fund Balance</i>	<u>(264,495)</u>	<u>(153,658)</u>	<u>110,837</u>
<i>Fund Balance at Beginning of Year</i>	<u>775,280</u>	<u>775,280</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>204,676</u>	<u>204,676</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$715,461</u>	<u>\$826,298</u>	<u>\$110,837</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$1,000	\$1,564	\$564
Intergovernmental	90,800	95,471	4,671
Other	0	499	499
<i>Total Revenues</i>	<u>91,800</u>	<u>97,534</u>	<u>5,734</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	79,199	76,439	2,760
Contractual Services	6,285	2,947	3,338
Materials and Supplies	17,445	13,939	3,506
<i>Total Transportation and Street Repair</i>	<u>102,929</u>	<u>93,325</u>	<u>9,604</u>
Capital Outlay	9,120	9,090	30
<i>Total Expenditures</i>	<u>112,049</u>	<u>102,415</u>	<u>9,634</u>
<i>Net Change in Fund Balance</i>	(20,249)	(4,881)	15,368
<i>Fund Balance at Beginning of Year</i>	184,219	184,219	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,098</u>	<u>7,098</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$171,068</u></u>	<u><u>\$186,436</u></u>	<u><u>\$15,368</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$23	\$12	(\$11)
Intergovernmental	34,993	34,383	(610)
Other	2,600	1,337	(1,263)
<i>Total Revenues</i>	<u>37,616</u>	<u>35,732</u>	<u>(1,884)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Contractual Services	1,155	1,155	0
Code Enforcement			
Contractual Services	90	90	0
Community Developmental Home Repair			
Contractual Services	13,992	13,992	0
<i>Total Expenditures</i>	<u>15,237</u>	<u>15,237</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	22,379	20,495	(1,884)
Other Financing Uses:			
Advances-Out	(154,000)	(154,000)	0
<i>Net Change in Fund Balance</i>	(131,621)	(133,505)	(1,884)
<i>Fund Balance at Beginning of Year</i>	120,647	120,647	0
<i>Prior Year Encumbrances Appropriated</i>	51,503	51,503	0
<i>Fund Balance at End of Year</i>	<u>\$40,529</u>	<u>\$38,645</u>	<u>(\$1,884)</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$30,100	\$30,829	\$729
Other	50	627	577
<i>Total Revenues</i>	<u>30,150</u>	<u>31,456</u>	<u>1,306</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	95,649	92,739	2,910
Contractual Services	24,862	24,503	359
Materials and Supplies	15,535	15,053	482
<i>Total Public Health and Welfare</i>	<u>136,046</u>	<u>132,295</u>	<u>3,751</u>
Capital Outlay	4,610	4,601	9
<i>Total Expenditures</i>	<u>140,656</u>	<u>136,896</u>	<u>3,760</u>
<i>Excess of Revenues Under Expenditures</i>	(110,506)	(105,440)	5,066
Other Financing Sources:			
Transfers-In	108,720	108,720	0
<i>Net Change in Fund Balance</i>	(1,786)	3,280	5,066
<i>Fund Balance at Beginning of Year</i>	23,865	23,865	0
<i>Prior Year Encumbrances Appropriated</i>	6,421	6,421	0
<i>Fund Balance at End of Year</i>	<u><u>\$28,500</u></u>	<u><u>\$33,566</u></u>	<u><u>\$5,066</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$24,729	\$0	(\$24,729)
Expenditures:			
Current:			
Community Development			
Neighborhood Stabilization Program			
Contractual Services	7,700	7,700	0
<i>Net Change in Fund Balance</i>	17,029	(7,700)	(24,729)
<i>Fund Balance at Beginning of Year</i>	17,202	17,202	0
<i>Fund Balance at End of Year</i>	\$34,231	\$9,502	(\$24,729)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization II Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$2,301	\$2,301	\$0
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	2,301	2,301	0
<i>Fund Balance at Beginning of Year</i>	699	699	0
<i>Fund Balance at End of Year</i>	\$3,000	\$3,000	\$0

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$134,107	\$134,107	\$0
Other	0	1,585	1,585
<i>Total Revenues</i>	<u>134,107</u>	<u>135,692</u>	<u>1,585</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	26,627	12,457	14,170
Contractual Services	11,625	11,554	71
Materials and Supplies	4,650	4,650	0
<i>Total Entitlement Administration</i>	<u>42,902</u>	<u>28,661</u>	<u>14,241</u>
Code Enforcement			
Personal Services	90,366	88,808	1,558
Contractual Services	6,254	6,003	251
Materials and Supplies	3,825	2,825	1,000
<i>Total Code Enforcement</i>	<u>100,445</u>	<u>97,636</u>	<u>2,809</u>
Entitlement Fair Housing			
Personal Services	4,529	1,583	2,946
Contractual Services	1,900	1,874	26
Materials and Supplies	425	425	0
<i>Total Entitlement Fair Housing</i>	<u>6,854</u>	<u>3,882</u>	<u>2,972</u>
Neighborhood Betterment			
Contractual Services	6,929	6,929	0
Community Development Home Repair			
Personal Services	18,802	16,339	2,463
Contractual Services	17,973	17,673	300
<i>Total Community Development Home Repair</i>	<u>36,775</u>	<u>34,012</u>	<u>2,763</u>
<i>Total Expenditures</i>	<u>193,905</u>	<u>171,120</u>	<u>22,785</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(59,798)</u>	<u>(35,428)</u>	<u>24,370</u>
Other Financing Sources:			
Advances-In	60,000	140,000	80,000
<i>Net Change in Fund Balance</i>	<u>202</u>	<u>104,572</u>	<u>104,370</u>
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$202</u></u>	<u><u>\$104,572</u></u>	<u><u>\$104,370</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$149,903	\$150,559	\$656
Other	0	1,087	1,087
<i>Total Revenues</i>	149,903	151,646	1,743
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	209,173	202,204	6,969
Contractual Services	7,212	7,053	159
Materials and Supplies	1,575	1,575	0
<i>Total Administration</i>	217,960	210,832	7,128
State Victims Assistance Act			
Contractual Services	1,789	1,789	0
Materials and Supplies	500	500	0
<i>Total State Victims Assistance Act</i>	2,289	2,289	0
<i>Total Public Safety</i>	220,249	213,121	7,128
Capital Outlay	1,640	1,640	0
<i>Total Expenditures</i>	221,889	214,761	7,128
<i>Excess of Revenues Under Expenditures</i>	(71,986)	(63,115)	8,871
Other Financing Sources:			
Transfers-In	67,200	67,200	0
<i>Net Change in Fund Balance</i>	(4,786)	4,085	8,871
<i>Fund Balance at Beginning of Year</i>	7,070	7,070	0
<i>Prior Year Encumbrances Appropriated</i>	2,056	2,056	0
<i>Fund Balance at End of Year</i>	\$4,340	\$13,211	\$8,871

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$136,800	\$136,776	(\$24)
Other	13,000	13,252	252
<i>Total Revenues</i>	<u>149,800</u>	<u>150,028</u>	<u>228</u>
Expenditures:			
Current:			
Community and Economic Development			
Neighborhood Betterment			
Personal Services	23,820	13,530	10,290
Contractual Services	220,498	220,298	200
<i>Total Expenditures</i>	<u>244,318</u>	<u>233,828</u>	<u>10,490</u>
<i>Excess of Revenues Under Expenditures</i>	(94,518)	(83,800)	10,718
Other Financing Sources:			
Advances-In	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(19,518)	(8,800)	10,718
<i>Fund Balance at Beginning of Year</i>	70,414	70,414	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,500</u>	<u>7,500</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$58,396</u></u>	<u><u>\$69,114</u></u>	<u><u>\$10,718</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Law Enforcement Trust Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and Donations	\$14,900	\$15,076	\$176
Other	2,970	2,900	(70)
<i>Total Revenues</i>	<u>17,870</u>	<u>17,976</u>	<u>106</u>
Expenditures:			
Current:			
Public Safety			
DARE Program			
Contractual Services	1,500	1,500	0
Materials and Supplies	1,800	1,795	5
<i>Total DARE Program</i>	<u>3,300</u>	<u>3,295</u>	<u>5</u>
Safety City Program			
Personal Services	2,278	2,278	0
Contractual Services	9,397	9,397	0
Materials and Supplies	5,875	5,566	309
<i>Total Safety City Program</i>	<u>17,550</u>	<u>17,241</u>	<u>309</u>
<i>Total Public Safety</i>	<u>20,850</u>	<u>20,536</u>	<u>314</u>
Capital Outlay	81,200	81,200	0
<i>Total Expenditures</i>	<u>102,050</u>	<u>101,736</u>	<u>314</u>
<i>Net Change in Fund Balance</i>	(84,180)	(83,760)	420
<i>Fund Balance at Beginning of Year</i>	80,751	80,751	0
<i>Prior Year Encumbrances Appropriated</i>	<u>9,149</u>	<u>9,149</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$5,720</u></u>	<u><u>\$6,140</u></u>	<u><u>\$420</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,200	\$3,607	\$407
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	4,000	0	4,000
Capital Outlay	2,000	0	2,000
<i>Total Expenditures</i>	6,000	0	6,000
<i>Net Change in Fund Balance</i>	(2,800)	3,607	6,407
<i>Fund Balance at Beginning of Year</i>	9,099	9,099	0
<i>Fund Balance at End of Year</i>	\$6,299	\$12,706	\$6,407

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$22,500	\$48,972	\$26,472
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	92,926	92,926	0
<i>Net Change in Fund Balance</i>	(70,426)	(43,954)	26,472
<i>Fund Balance at Beginning of Year</i>	253,091	253,091	0
<i>Prior Year Encumbrances Appropriated</i>	26,461	26,461	0
<i>Fund Balance at End of Year</i>	\$209,126	\$235,598	\$26,472

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$2,500	\$1,897	(\$603)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	1,402	1,402	0
<i>Net Change in Fund Balance</i>	1,098	495	(603)
<i>Fund Balance at Beginning of Year</i>	3,878	3,878	0
<i>Prior Year Encumbrances Appropriated</i>	1,400	1,400	0
<i>Fund Balance at End of Year</i>	\$6,376	\$5,773	(\$603)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$1,000	\$436	(\$564)
Intergovernmental	6,525	6,525	0
Other	500	2,226	1,726
<i>Total Revenues</i>	<u>8,025</u>	<u>9,187</u>	<u>1,162</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	3,171	3,171	0
Materials and Supplies	13,686	13,686	0
<i>Total Public Safety</i>	<u>16,857</u>	<u>16,857</u>	<u>0</u>
Debt Service:			
Principal Retirement	20,000	20,000	0
<i>Total Expenditures</i>	<u>36,857</u>	<u>36,857</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(28,832)</u>	<u>(27,670)</u>	<u>1,162</u>
<i>Fund Balance at Beginning of Year</i>	66,746	66,746	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,579</u>	<u>5,579</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$43,493</u></u>	<u><u>\$44,655</u></u>	<u><u>\$1,162</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$115,000	\$112,916	(\$2,084)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	92,252	81,485	10,767
Contractual Services	4,500	3,419	1,081
<i>Total Expenditures</i>	96,752	84,904	11,848
<i>Net Change in Fund Balance</i>	18,248	28,012	9,764
<i>Fund Balance at Beginning of Year</i>	112,828	112,828	0
<i>Prior Year Encumbrances Appropriated</i>	4,032	4,032	0
<i>Fund Balance at End of Year</i>	\$135,108	\$144,872	\$9,764

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$17,000	\$16,005	(\$995)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	13,996	13,985	11
<i>Net Change in Fund Balance</i>	3,004	2,020	(984)
<i>Fund Balance at Beginning of Year</i>	419	419	0
<i>Fund Balance at End of Year</i>	\$3,423	\$2,439	(\$984)

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$16,900	\$20,148	\$3,248
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	15,920	15,920	0
Capital Outlay	25,063	24,948	115
<i>Total Expenditures</i>	40,983	40,868	115
<i>Net Change in Fund Balance</i>	(24,083)	(20,720)	3,363
<i>Fund Balance at Beginning of Year</i>	87,440	87,440	0
<i>Prior Year Encumbrances Appropriated</i>	4,530	4,530	0
<i>Fund Balance at End of Year</i>	\$67,887	\$71,250	\$3,363

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$145,300	\$144,534	(\$766)
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	74,330	45,052	29,278
Contractual Services	50,364	40,623	9,741
Materials and Supplies	3,100	3,100	0
<i>Total General Government</i>	127,794	88,775	39,019
Capital Outlay	22,500	21,668	832
<i>Total Expenditures</i>	150,294	110,443	39,851
<i>Net Change in Fund Balance</i>	(4,994)	34,091	39,085
<i>Fund Balance at Beginning of Year</i>	374,291	374,291	0
<i>Prior Year Encumbrances Appropriated</i>	3,128	3,128	0
<i>Fund Balance at End of Year</i>	\$372,425	\$411,510	\$39,085

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$30,000	\$29,062	(\$938)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	61,706	61,706	0
<i>Net Change in Fund Balance</i>	(31,706)	(32,644)	(938)
<i>Fund Balance at Beginning of Year</i>	81,349	81,349	0
<i>Prior Year Encumbrances Appropriated</i>	14,181	14,181	0
<i>Fund Balance at End of Year</i>	\$63,824	\$62,886	(\$938)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Byrne Justice Assistance Grant Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$23,483	\$23,483	\$0
Expenditures:			
Capital Outlay	23,483	23,483	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)
Moving Ohio Forward Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$10,741	\$10,741	\$0
Expenditures:			
Current:			
Community Development			
Contractual Services	19,500	15,000	4,500
<i>Net Change in Fund Balance</i>	(8,759)	(4,259)	4,500
<i>Fund Balance at Beginning of Year</i>	27,722	27,722	0
<i>Fund Balance at End of Year</i>	\$18,963	\$23,463	\$4,500

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$6,067	\$6,067	\$0
Expenditures:			
Current:			
Security of Persons and Property			
Fire Operations			
Personal Services	14,868	14,868	0
<i>Net Change in Fund Balance</i>	(8,801)	(8,801)	0
<i>Fund Balance at Beginning of Year</i>	8,801	8,801	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)
Uninsured Loss Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$85,217	\$86,203	\$986
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	111,460	111,460	0
<i>Net Change in Fund Balance</i>	(26,243)	(25,257)	986
<i>Fund Balance at Beginning of Year</i>	33,456	33,456	0
<i>Prior Year Encumbrances Appropriated</i>	13,048	13,048	0
<i>Fund Balance at End of Year</i>	\$20,261	\$21,247	\$986

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$77,206	\$78,167	\$961
Special Assessments	202,306	202,306	0
<i>Total Revenues</i>	<u>279,512</u>	<u>280,473</u>	<u>961</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	3,300	2,410	890
Debt Service:			
Principal Retirement	169,000	169,000	0
Interest and Fiscal Charges	170,648	170,614	34
<i>Total Debt Service</i>	<u>339,648</u>	<u>339,614</u>	<u>34</u>
<i>Total Expenditures</i>	<u>342,948</u>	<u>342,024</u>	<u>924</u>
<i>Net Change in Fund Balance</i>	(63,436)	(61,551)	1,885
<i>Fund Balance at Beginning of Year</i>	<u>125,934</u>	<u>125,934</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$62,498</u></u>	<u><u>\$64,383</u></u>	<u><u>\$1,885</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Special Projects Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$168,386	\$217,338	\$48,952
Expenditures:			
Current:			
General Government			
Law Enforcement			
Personal Services	187,249	173,916	13,333
Contractual Services	11,774	10,278	1,496
Materials and Supplies	10,500	10,500	0
<i>Total General Government</i>	209,523	194,694	14,829
Capital Outlay	29,150	29,150	0
<i>Total Expenditures</i>	238,673	223,844	14,829
<i>Net Change in Fund Balance</i>	(70,287)	(6,506)	63,781
<i>Fund Balance at Beginning of Year</i>	216,626	216,626	0
<i>Prior Year Encumbrances Appropriated</i>	24,772	24,772	0
<i>Fund Balance at End of Year</i>	\$171,111	\$234,892	\$63,781

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$2,000	\$4,026	\$2,026
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	5,000	5,000	0
Materials and Supplies	59,004	34,007	24,997
<i>Total General Government</i>	64,004	39,007	24,997
Capital Outlay	93,395	74,144	19,251
Debt Service:			
Interest and Fiscal Charges	131	131	0
<i>Total Expenditures</i>	157,530	113,282	44,248
<i>Excess of Revenues Under Expenditures</i>	(155,530)	(109,256)	46,274
Other Financing Sources:			
Transfers-In	215,320	215,320	0
<i>Net Change in Fund Balance</i>	59,790	106,064	46,274
<i>Fund Balance at Beginning of Year</i>	329,700	329,700	0
<i>Prior Year Encumbrances Appropriated</i>	152,534	152,534	0
<i>Fund Balance at End of Year</i>	\$542,024	\$588,298	\$46,274

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$150,000	\$228,916	\$78,916
Charges for Services	18,251	18,251	0
Investment Earnings	1,000	1,454	454
Other	8,500	4,910	(3,590)
<i>Total Revenues</i>	177,751	253,531	75,780
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	3,924	3,916	8
Capital Outlay	187,100	186,508	592
<i>Total Expenditures</i>	191,024	190,424	600
<i>Net Change in Fund Balance</i>	(13,273)	63,107	76,380
<i>Fund Balance at Beginning of Year</i>	94,128	94,128	0
<i>Prior Year Encumbrances Appropriated</i>	11,671	11,671	0
<i>Fund Balance at End of Year</i>	\$92,526	\$168,906	\$76,380

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,000	\$0	(\$1,000)
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	45,390	41,667	3,723
Materials and Supplies	85,160	85,160	0
<i>Total General Government</i>	130,550	126,827	3,723
Capital Outlay	66,250	64,116	2,134
Debt Service:			
Principal Retirement	325,000	325,000	0
Interest and Fiscal Charges	7,051	4,621	2,430
<i>Total Debt Service</i>	332,051	329,621	2,430
<i>Total Expenditures</i>	528,851	520,564	8,287
<i>Excess of Revenues Under Expenditures</i>	(527,851)	(520,564)	7,287
Other Financing Sources:			
Notes Issued	257,600	257,515	(85)
Premium on Debt Issued	2,200	2,172	(28)
Transfers-In	247,980	247,980	0
<i>Total Other Financing Sources</i>	507,780	507,667	(113)
<i>Net Change in Fund Balance</i>	(20,071)	(12,897)	7,174
<i>Fund Balance at Beginning of Year</i>	71,429	71,429	0
<i>Prior Year Encumbrances Appropriated</i>	92,251	92,251	0
<i>Fund Balance at End of Year</i>	\$143,609	\$150,783	\$7,174

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$191,184	\$191,184	\$0
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	1,580	1,580	0
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	30,863	30,863	0
<i>Total Debt Service</i>	115,863	115,863	0
<i>Total Expenditures</i>	117,443	117,443	0
<i>Net Change in Fund Balance</i>	73,741	73,741	0
<i>Fund Balance at Beginning of Year</i>	173,497	173,497	0
<i>Fund Balance at End of Year</i>	\$247,238	\$247,238	\$0

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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$63,780	\$62,671	(\$1,109)
Other	0	2,252	2,252
<i>Total Revenues</i>	<u>63,780</u>	<u>64,923</u>	<u>1,143</u>
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	22,482	21,953	529
Capital Outlay	188,323	187,814	509
Debt Service:			
Principal Retirement	69,100	69,100	0
Interest and Fiscal Charges	1,691	1,500	191
<i>Total Debt Service</i>	<u>70,791</u>	<u>70,600</u>	<u>191</u>
<i>Total Expenditures</i>	<u>281,596</u>	<u>280,367</u>	<u>1,229</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(217,816)</u>	<u>(215,444)</u>	<u>2,372</u>
Other Financing Sources:			
Notes Issued	140,000	140,000	0
Premium on Debt Issued	3,000	869	(2,131)
<i>Total Other Financing Sources</i>	<u>143,000</u>	<u>140,869</u>	<u>(2,131)</u>
<i>Net Change in Fund Balance</i>	(74,816)	(74,575)	241
<i>Fund Balance at Beginning of Year</i>	68,001	68,001	0
<i>Prior Year Encumbrances Appropriated</i>	<u>87,031</u>	<u>87,031</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$80,216</u></u>	<u><u>\$80,457</u></u>	<u><u>\$241</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Debt Service:			
Principal Retirement	2,015,500	2,015,500	0
Interest and Fiscal Charges	<u>15,377</u>	<u>15,377</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,030,877</u>	<u>2,030,877</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,030,877)</u>	<u>(2,030,877)</u>	<u>0</u>
Other Financing Sources:			
Notes Issued	2,015,500	2,015,500	0
Premium on Debt Issued	<u>12,600</u>	<u>12,516</u>	<u>(84)</u>
<i>Total Other Financing Sources</i>	<u>2,028,100</u>	<u>2,028,016</u>	<u>(84)</u>
<i>Net Change in Fund Balance</i>	<u>(2,777)</u>	<u>(2,861)</u>	<u>(84)</u>
<i>Fund Balance at Beginning of Year</i>	<u>3,434</u>	<u>3,434</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$657</u></u>	<u><u>\$573</u></u>	<u><u>(\$84)</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,217,166	\$1,218,502	\$1,336
Other	0	66	66
<i>Total Revenues</i>	<u>1,217,166</u>	<u>1,218,568</u>	<u>1,402</u>
Expenses:			
Personal Services	561,660	549,887	11,773
Contractual Services	76,353	50,845	25,508
Materials and Supplies	681,351	680,829	522
Capital Outlay	27,223	27,210	13
<i>Total Expenses</i>	<u>1,346,587</u>	<u>1,308,771</u>	<u>37,816</u>
<i>Net Change in Fund Equity</i>	(129,421)	(90,203)	39,218
<i>Fund Equity at Beginning of Year</i>	118,041	118,041	0
<i>Prior Year Encumbrances Appropriated</i>	<u>28,128</u>	<u>28,128</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$16,748</u></u>	<u><u>\$55,966</u></u>	<u><u>\$39,218</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$639,357	\$639,357	\$0
Other	150	3,986	3,836
<i>Total Revenues</i>	<u>639,507</u>	<u>643,343</u>	<u>3,836</u>
Expenses:			
Personal Services	380,842	379,697	1,145
Contractual Services	192,185	176,259	15,926
Materials and Supplies	12,203	12,179	24
Capital Outlay	176,085	166,074	10,011
<i>Total Expenses</i>	<u>761,315</u>	<u>734,209</u>	<u>27,106</u>
<i>Net Change in Fund Equity</i>	(121,808)	(90,866)	30,942
<i>Fund Equity at Beginning of Year</i>	137,810	137,810	0
<i>Prior Year Encumbrances Appropriated</i>	<u>66,711</u>	<u>66,711</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$82,713</u></u>	<u><u>\$113,655</u></u>	<u><u>\$30,942</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, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$18,600	\$14,095	(\$4,505)
Expenses:			
Personal Services	20,600	20,393	207
Contractual Services	5,000	5,000	0
<i>Total Expenses</i>	25,600	25,393	207
<i>Excess of Revenues Under Expenses</i>	(7,000)	(11,298)	(4,298)
Non-Operating Revenues:			
Interest	500	1,176	676
<i>Net Change in Fund Equity</i>	(6,500)	(10,122)	(3,622)
<i>Fund Equity at Beginning of Year</i>	144,194	144,194	0
<i>Prior Year Encumbrances Appropriated</i>	1,063	1,063	0
<i>Fund Equity at End of Year</i>	\$138,757	\$135,135	(\$3,622)

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	182-191
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	192-201
These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	202-209
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	210-213
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	214-217
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

	2008	2009	2010	2011
Governmental Activities				
Net Investment in Capital Assets	\$56,578,526	\$57,492,409	\$58,223,118	\$59,259,234
Restricted	9,231,712	11,579,836	10,917,852	13,249,832
Unrestricted (Deficit)	7,221,856	5,834,667	6,468,379	7,587,718
<i>Total Governmental Activities Net Position</i>	<u>\$73,032,094</u>	<u>\$74,906,912</u>	<u>\$75,609,349</u>	<u>\$80,096,784</u>
Business-Type Activities				
Net Investment in Capital Assets	\$11,700,861	\$12,903,901	\$12,913,413	\$12,778,599
Unrestricted	6,733,325	6,413,278	7,461,531	9,037,992
<i>Total Business-Type Activities Net Position</i>	<u>\$18,434,186</u>	<u>\$19,317,179</u>	<u>\$20,374,944</u>	<u>\$21,816,591</u>
Total Primary Government				
Net Investment in Capital Assets	\$68,279,387	\$70,396,310	\$71,136,531	\$72,037,833
Restricted	9,231,712	11,579,836	10,917,852	13,249,832
Unrestricted	13,955,181	12,247,945	13,929,910	16,625,710
<i>Total Primary Government Net Position</i>	<u>\$91,466,280</u>	<u>\$94,224,091</u>	<u>\$95,984,293</u>	<u>\$101,913,375</u>

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

2012	2013	2014 (1)	2015 (1)	2016	2017
\$59,885,657	\$60,422,126	\$61,971,834	\$62,817,281	\$62,009,840	\$61,539,877
13,272,202	12,832,977	9,206,263	10,484,017	12,289,605	14,147,204
11,621,608	13,227,049	(7,228,899)	(7,781,865)	(9,725,679)	(12,099,843)
<u>\$84,779,467</u>	<u>\$86,482,152</u>	<u>\$63,949,198</u>	<u>\$65,519,433</u>	<u>\$64,573,766</u>	<u>\$63,587,238</u>
\$12,182,697	\$10,370,449	\$10,132,357	\$10,497,587	\$11,706,766	\$13,837,167
10,509,882	13,781,547	13,991,246	15,319,546	15,371,576	14,472,042
<u>\$22,692,579</u>	<u>\$24,151,996</u>	<u>\$24,123,603</u>	<u>\$25,817,133</u>	<u>\$27,078,342</u>	<u>\$28,309,209</u>
\$72,068,354	\$70,792,575	\$72,104,191	\$73,314,868	\$73,716,606	\$75,377,044
13,272,202	12,832,977	9,206,263	10,484,017	12,289,605	14,147,204
22,131,490	27,008,596	6,762,347	7,537,681	5,645,897	2,372,199
<u>\$107,472,046</u>	<u>\$110,634,148</u>	<u>\$88,072,801</u>	<u>\$91,336,566</u>	<u>\$91,652,108</u>	<u>\$91,896,447</u>

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

	2008	2009	2010	2011
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$4,468,225	\$4,735,434	\$4,546,522	\$5,006,470
Public Safety	1,643,651	1,570,569	2,243,439	1,580,842
Leisure Time Activities	15,800	15,431	17,755	20,555
Community Development	0	0	0	0
Transportation and Street Repair	0	0	0	0
Public Health and Welfare	27,171	46,576	31,559	40,585
Operating Grants, Contributions and Interest	2,852,492	3,312,494	2,601,148	3,119,605
Capital Grants, Contributions and Interest	1,867,845	2,049,859	1,154,072	3,224,212
Total Governmental Activities Program Revenues	10,875,184	11,730,363	10,594,495	12,992,269
Business-Type Activities:				
Charges for Services:				
Water	3,410,484	3,535,657	3,737,937	3,957,558
Sewer	5,466,151	5,571,836	5,754,670	5,936,952
Sanitation	2,396,874	2,482,526	2,525,807	2,502,118
Operating Grants, Contributions and Interest:				
Water	5,813	2,657	0	0
Sewer	3,170	1,800	51,742	0
Capital Grants, Contributions and Interest:				
Water	0	37,460	27,700	43,300
Sewer	0	44,330	39,540	46,865
Total Business-Type Activities Program Revenues	11,282,492	11,676,266	12,137,396	12,486,793
Total Primary Government Program Revenues	22,157,676	23,406,629	22,731,891	25,479,062
Expenses:				
Governmental Activities:				
General Government	8,784,812	9,093,180	10,210,347	9,358,187
Public Safety	13,011,273	13,664,046	13,166,582	13,148,808
Leisure Time Activities	301,791	389,573	509,311	353,854
Community Development	932,039	1,030,438	1,096,602	1,107,951
Transportation and Street Repair	1,461,350	2,044,120	1,829,298	1,858,735
Public Health and Welfare	79,371	91,313	91,846	96,966
Interest and Fiscal Charges	577,333	523,675	459,319	216,742
Intergovernmental	195,085	207,546	222,316	361,216
Total Governmental Activities Expenses	25,343,054	27,043,891	27,585,621	26,502,459
Business-Type Activities:				
Water	3,274,444	3,421,387	3,456,025	3,211,043
Sewer	4,717,417	4,339,587	5,382,287	5,334,436
Sanitation	2,109,350	2,702,870	2,328,675	2,550,934
Total Business-Type Activities Expenses	10,101,211	10,463,844	11,166,987	11,096,413
Total Primary Government Expenses	\$35,444,265	\$37,507,735	\$38,752,608	\$37,598,872

2012	2013	2014	2015 (2)	2016	2017
\$5,321,951	\$4,797,028	\$4,894,322	\$4,958,113	\$5,611,972	\$5,420,422
2,242,606	2,277,370	2,056,636	2,271,404	2,270,773	2,011,779
20,668	19,345	18,477	20,984	19,988	18,251
0	0	26,642	51,233	38,629	40,423
16,031	22,314	26,954	9,570	31,921	140,092
41,825	41,267	32,391	27,344	35,595	30,829
3,313,243	3,001,991	3,306,043	3,299,247	3,559,966	4,436,696
1,178,734	857,836	935,184	1,430,177	878,850	615,550
12,135,058	11,017,151	11,296,649	12,068,072	12,447,694	12,714,042
4,199,695	4,168,835	4,304,620	4,104,119	4,136,284	4,023,734
6,505,548	6,640,578	6,687,253	6,651,226	6,648,955	6,317,030
2,542,620	2,636,893	2,763,166	2,754,574	2,743,135	3,087,225
0	0	0	0	0	0
0	0	0	0	0	0
65,235	0	36,480	71,290	52,330	55,690
56,005	0	25,547	58,820	43,110	49,110
13,369,103	13,446,306	13,817,066	13,640,029	13,623,814	13,532,789
25,504,161	24,463,457	25,113,715	25,708,101	26,071,508	26,246,831
8,905,813	10,125,094	9,957,291	10,198,666	10,756,212	11,633,948
12,978,270	13,969,809	14,285,206	14,786,740	17,290,189	17,344,091
332,663	452,199	404,947	450,208	461,178	604,199
1,374,945	1,156,363	4,681,346	2,259,182	1,959,838	2,524,337
3,421,331	2,617,619	3,328,628	3,338,726	3,088,426	2,084,305
96,413	103,185	116,391	117,755	122,870	119,619
346,865	270,515	214,784	210,577	247,647	358,433
223,589	0	0	0	0	0
27,679,889	28,694,784	32,988,593	31,361,854	33,926,360	34,668,932
3,450,401	4,038,081	4,468,043	3,997,386	3,945,132	4,122,433
6,635,220	5,578,285	5,484,171	5,547,509	6,492,400	5,759,142
2,449,113	2,721,970	2,572,478	2,591,785	2,830,336	2,990,997
12,534,734	12,338,336	12,524,692	12,136,680	13,267,868	12,872,572
\$40,214,623	\$41,033,120	\$45,513,285	\$43,498,534	\$47,194,228	\$47,541,504

(continued)

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

	2008	2009	2010	2011
Net (Expense)/Revenue				
Governmental Activities	(\$14,467,870)	(\$15,313,528)	(\$16,991,126)	(\$13,510,190)
Business-Type Activities	1,181,281	1,212,422	970,409	1,390,380
Total Primary Government Net Expenses	(13,286,589)	(14,101,106)	(16,020,717)	(12,119,810)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for: (1)				
General Purposes	1,751,432	1,604,334	1,645,992	1,551,379
Fire and EMS	373,158	373,388	380,949	545,417
Police	0	148,183	152,106	340,974
Debt Service	133,767	149,933	149,388	114,364
Street Lighting	142,205	134,505	139,667	124,253
Other Local Taxes	840,651	738,667	712,099	810,109
Revenue in Lieu of Taxes	294,409	310,823	339,114	332,269
Municipal Income Taxes Levied for:				
General Purposes	8,488,898	7,384,148	7,739,285	7,759,131
Street Programs	2,060,948	1,853,273	1,931,190	1,946,526
Capital Outlay	2,030,024	1,848,135	1,931,190	1,946,525
Grants and Entitlements not				
Restricted to Specific Programs	2,072,364	2,148,568	2,158,308	1,890,415
Investment Earnings	958,903	125,503	16,369	135,217
Other	410,769	368,886	397,906	501,046
Transfers-Internal Activities	0	0	0	0
Total Governmental Activities	19,557,528	17,188,346	17,693,563	17,997,625
Business-Type Activities:				
Investment Earnings	113,524	126,621	57,526	25,838
Gain on Sale of Capital Assets	0	0	0	0
Other	41,992	31,975	29,830	25,429
Transfers-Internal Activities	0	0	0	0
Total Business-Type Activities	155,516	158,596	87,356	51,267
Total Primary Government	19,713,044	17,346,942	17,780,919	18,048,892
Prior Year Restatement of Governmental Activities Net Position	0	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	0	(488,025)	0	0
Change in Net Position:				
Governmental Activities	5,089,658	1,874,818	702,437	4,487,435
Business-Type Activities	1,336,797	882,993	1,057,765	1,441,647
Total Primary Government	\$6,426,455	\$2,757,811	\$1,760,202	\$5,929,082

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

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

2012	2013	2014	2015 (2)	2016	2017
(15,544,831)	(17,677,633)	(21,691,944)	(19,293,782)	(21,478,666)	(21,954,890)
834,369	1,107,970	1,292,374	1,503,349	355,946	660,217
(14,710,462)	(16,569,663)	(20,399,570)	(17,790,433)	(21,122,720)	(21,294,673)
822,926	834,730	847,262	782,489	818,384	882,524
2,189,418	2,210,684	2,240,812	2,045,353	2,166,795	2,135,521
2,189,418	2,210,683	2,240,812	2,045,353	2,166,795	2,135,522
0	0	0	0	0	0
0	0	0	0	0	0
841,187	823,386	828,945	847,768	841,911	765,467
379,278	362,657	419,134	428,715	411,210	506,595
8,125,170	7,733,646	8,080,790	8,231,278	8,958,104	8,728,866
2,030,750	1,934,815	2,018,698	2,057,256	2,239,665	2,181,914
2,030,749	1,934,815	2,018,698	2,057,248	2,239,665	2,181,913
1,076,446	1,271,868	968,659	1,765,047	938,320	808,185
63,005	(53,893)	442,641	191,381	(41,272)	279,331
479,167	418,299	580,160	412,129	479,006	645,871
0	(301,372)	0	0	(685,584)	(283,347)
20,227,514	19,380,318	20,686,611	20,864,017	20,532,999	20,968,362
23,729	13,118	30,708	52,369	75,056	65,800
0	0	0	0	0	22,247
17,890	36,957	149,596	137,812	144,623	199,256
0	301,372	0	0	685,584	283,347
41,619	351,447	180,304	190,181	905,263	570,650
20,269,133	19,731,765	20,866,915	21,054,198	21,438,262	21,539,012
0	0	0	63,949,198	0	0
0	0	0	24,123,603	0	0
4,682,683	1,702,685	(1,005,333)	65,519,433	(945,667)	(986,528)
875,988	1,459,417	1,472,678	25,817,133	1,261,209	1,230,867
\$5,558,671	\$3,162,102	\$467,345	\$91,336,566	\$315,542	\$244,339

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

	2008	2009	2010 (1)	2011
General Fund				
Nonspendable	\$0	\$0	\$28,888	\$46,497
Assigned	0	0	213,705	171,849
Unassigned	0	0	3,371,738	3,410,686
Reserved	202,949	243,901	0	0
Unreserved	4,496,405	3,522,534	0	0
Total General Fund	4,699,354	3,766,435	3,614,331	3,629,032
All Other Governmental Funds				
Nonspendable	0	0	1,284,429	3,412,502
Restricted	0	0	6,575,123	7,071,041
Committed	0	0	374,831	491,291
Assigned	0	0	474,042	593,902
Unassigned (Deficit)	0	0	(2,553,880)	(3,123,216)
Reserved	650,135	2,017,230	0	0
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	2,678,806	3,274,776	0	0
Debt Service Fund	346,215	325,721	0	0
Capital Projects Funds	(541,650)	(334,303)	0	0
Total all Other Governmental Funds	3,133,506	5,283,424	6,154,545	8,445,520
All Governmental Funds	\$7,832,860	\$9,049,859	\$9,768,876	\$12,074,552

(1) The City implemented GASB 54 in 2011.

2012	2013	2014	2015	2016	2017
\$54,586	\$25,166	\$23,665	\$14,298	\$18,950	\$72,838
262,679	608,978	755,130	983,752	2,023,546	2,721,907
7,894,685	9,382,356	10,042,544	9,480,017	8,378,803	6,936,826
0	0	0	0	0	0
0	0	0	0	0	0
8,211,950	10,016,500	10,821,339	10,478,067	10,421,299	9,731,571
3,329,972	69,678	200,574	166,271	669,611	162,712
7,360,699	7,176,384	6,062,520	7,295,377	8,206,807	9,172,117
561,203	254,549	309,296	119,119	258,566	432,467
495,287	586,058	625,356	419,469	459,463	633,701
(730,233)	(309,636)	(122,498)	(1,079)	(2,216,842)	(2,101,377)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,016,928	7,777,033	7,075,248	7,999,157	7,377,605	8,299,620
\$19,228,878	\$17,793,533	\$17,896,587	\$18,477,224	\$17,798,904	\$18,031,191

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

	2008	2009	2010	2011
Revenues:				
Property Taxes	\$2,389,176	\$2,425,711	\$2,458,646	\$2,415,919
Other Local Taxes	840,651	738,667	712,099	810,109
Municipal Income Taxes	10,194,655	11,185,796	11,442,949	11,574,407
Revenue in Lieu of Taxes	294,409	310,823	339,114	332,269
Fines, Licenses and Permits	2,404,118	2,002,352	1,817,598	1,638,566
Charges for Services	3,368,842	4,151,360	4,868,341	5,048,274
Investment Earnings	1,000,056	233,256	165,647	168,589
Intergovernmental	6,287,601	6,028,951	5,914,059	6,236,284
Special Assessments	317,084	302,578	414,979	416,412
Contributions and Donations	0	542,430	0	46,558
Other	410,769	368,886	397,906	501,046
Total Revenues	27,507,361	28,290,810	28,531,338	29,188,433
Expenditures:				
Current:				
General Government	6,780,642	6,826,870	7,517,523	7,025,927
Public Safety	12,519,358	12,902,125	12,772,786	12,379,650
Leisure Time Activities	206,165	280,300	391,574	201,592
Community Development	915,623	1,010,774	1,080,457	1,087,343
Transportation and Street Repair	1,123,628	1,654,970	1,460,195	1,763,864
Public Health and Welfare	79,775	88,814	90,865	95,111
Capital Outlay	4,545,832	2,387,313	2,505,157	1,699,918
Intergovernmental	195,085	207,546	222,316	216,742
Debt Service:				
Principal Retirement	1,540,702	1,706,369	2,040,492	2,478,903
Interest and Fiscal Charges	625,846	546,730	485,687	384,476
Issuance Costs	0	0	852	11,510
Total Expenditures	28,532,656	27,611,811	28,567,904	27,345,036
Excess of Revenues Over (Under) Expenditures	(1,025,295)	678,999	(36,566)	1,843,397
Other Financing Sources (Uses):				
Special Assessments Bond Issued	280,000	135,000	0	320,000
Notes Issued	0	0	0	0
Proceeds of OPWC Loans	0	0	0	0
Proceeds from the Sale of Capital Assets	0	0	0	22,279
Premium on Debt Issued	0	0	583	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0
General Obligation Bonds Issued	0	0	45,000	0
Refunding Notes Issued	135,000	403,000	710,000	120,000
Inception of Capital Lease	171,713	0	0	0
Transfers-In	4,839,170	10,563,476	10,226,724	9,644,754
Transfers-Out	(4,839,170)	(10,563,476)	(10,226,724)	(9,644,754)
Total Other Financing Sources (Uses)	586,713	538,000	755,583	462,279
Prior Year Restatement of Restricted Fund Balance	0	0	0	0
Net Change in Fund Balances	(\$438,582)	\$1,216,999	\$719,017	\$2,305,676
Debt Service as a Percentage of Noncapital Expenditures	9.2%	9.0%	9.7%	11.2%

2012	2013	2014	2015	2016	2017
\$5,235,512	\$5,404,927	\$5,270,213	\$5,033,037	\$5,146,070	\$5,128,685
841,187	823,386	828,945	847,768	841,911	764,241
11,994,955	11,691,107	11,911,179	12,165,582	13,164,280	13,016,028
379,278	362,657	419,134	428,715	411,210	506,595
1,639,486	1,679,445	1,809,801	1,701,365	1,744,061	2,175,162
5,778,812	5,342,261	5,370,812	5,552,844	5,628,442	5,614,586
101,427	(48,747)	488,097	184,960	26,256	319,513
6,535,383	4,942,122	4,722,891	5,945,544	4,451,296	5,018,296
363,052	321,577	295,972	197,000	187,020	194,139
9,276	1,427	5,384	11,059	15,565	19,076
498,594	418,299	580,160	412,129	479,006	645,871
33,376,962	30,938,461	31,702,588	32,480,003	32,095,117	33,402,192
6,410,454	7,359,127	7,121,226	6,987,945	7,330,640	7,996,512
12,282,513	13,351,123	13,496,787	13,815,117	14,806,908	15,595,103
169,189	281,564	229,166	247,569	268,657	299,904
1,349,975	1,133,762	1,655,251	2,259,829	1,883,239	2,353,386
3,309,867	2,607,811	3,258,464	3,234,742	2,949,365	1,850,948
94,743	102,948	115,122	117,097	118,751	117,643
2,014,611	2,896,232	3,399,872	4,335,287	4,737,193	6,577,806
223,589	215,666	253,670	243,390	235,465	315,411
1,755,570	3,328,691	2,136,024	715,368	676,945	1,025,336
363,988	321,975	255,058	219,918	249,473	337,359
0	0	0	0	0	0
27,974,499	31,598,899	31,920,640	32,176,262	33,256,636	36,469,408
5,402,463	(660,438)	(218,052)	303,741	(1,161,519)	(3,067,216)
120,000	0	0	0	85,000	0
0	517,500	310,000	270,000	757,515	3,545,000
0	0	0	0	334,832	0
4,484	25,921	4,171	4,741	11,710	5,836
16,193	47,589	6,935	2,155	4,726	32,014
0	0	0	0	0	0
0	1,630,000	0	0	0	0
1,611,186	0	0	0	0	0
0	0	0	0	0	0
4,870,028	5,878,722	6,654,118	7,370,918	8,581,627	7,723,776
(4,870,028)	(5,878,722)	(6,654,118)	(7,370,918)	(9,292,211)	(8,007,123)
1,751,863	2,221,010	321,106	276,896	483,199	3,299,503
0	(2,995,917)	0	0	0	0
\$7,154,326	(\$1,435,345)	\$103,054	\$580,637	(\$678,320)	\$232,287
8.2%	12.6%	8.4%	3.4%	3.3%	4.6%

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
2008	\$513,328,920	\$1,466,654,057	\$11,790,182	\$13,397,934	\$15,057,095	\$24,091,352
2009	552,208,370	1,577,738,200	10,790,570	12,262,011	7,381,048	11,809,677
2010	552,367,880	1,578,193,943	10,647,220	12,099,114	1,138,450	1,821,520
2011	555,015,130	1,585,757,514	11,124,480	12,641,455	552,420	883,872
2012	513,212,360	1,466,321,029	11,439,860	12,999,841	0	0
2013	516,359,800	1,475,313,714	14,040,100	15,954,659	0	0
2014	497,344,590	1,420,984,543	14,054,270	15,970,761	0	0
2015	498,165,380	1,423,329,657	14,621,720	16,615,591	0	0
2016	500,809,070	1,430,883,057	15,689,160	17,828,591	0	0
2017	506,280,670	1,446,516,200	16,466,990	18,712,489	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.

Assessed Value	Total		Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated Actual Value	Ratio	
\$540,176,197	\$1,504,143,343	35.91	8.82
570,379,988	1,601,809,888	35.61	8.78
564,153,550	1,592,114,576	35.43	8.80
566,692,030	1,599,282,841	35.43	8.80
524,652,220	1,479,320,869	35.47	8.80
530,399,900	1,491,268,373	35.57	8.80
511,398,860	1,436,955,304	35.59	8.80
512,787,100	1,439,945,248	35.61	11.30
516,498,230	1,448,711,648	35.65	11.30
522,747,660	1,465,228,689	35.68	11.30

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

	2008	2009	2010	2011
Unvoted Millage				
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy				
1976 Current Expense				
Residential/Agricultural Real	1.1784	1.1787	1.1799	0.0000
Commercial/Industrial and Public Utility Real	1.7922	1.8323	1.8505	0.0000
General Business and Public Utility Personal	4.8000	4.8000	4.8000	0.0000
1976 Street Light				
Residential/Agricultural Real	0.2209	0.2210	0.2212	0.0000
Commercial/Industrial and Public Utility Real	0.3360	0.3436	0.3470	0.0000
General Business and Public Utility Personal	0.9000	0.9000	0.9000	0.0000
1976 Bond Levy (\$930,000)				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
1982 Emergency Medical Service				
Residential/Agricultural Real	0.3919	0.3920	0.3924	0.0000
Commercial/Industrial and Public Utility Real	0.5229	0.5345	0.5398	0.0000
General Business and Public Utility Personal	1.0000	1.0000	1.0000	0.0000
1990 Bond Levy (\$1,750,000)				
Residential/Agricultural Real	0.3000	0.3000	0.2500	0.0000
Commercial/Industrial and Public Utility Real	0.3000	0.3000	0.2500	0.0000
General Business and Public Utility Personal	0.3000	0.3000	0.2500	0.0000
2011 Police				
Residential/Agricultural Real	0.00000	0.00000	0.00000	4.40000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	4.40000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	4.40000
2011 Fire & EMS				
Residential/Agricultural Real	0.00000	0.00000	0.00000	4.40000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	4.40000
General Business and Public Utility Personal	0.00000	0.00000	0.00000	4.40000
Total Voted Millage by Type of Property				
Residential/Agricultural Real	2.09120	2.09170	2.04350	8.80000
Commercial/Industrial and Public Utility Real	2.95110	3.01040	2.98730	8.80000
General Business and Public Utility Personal	7.00000	7.00000	6.95000	8.80000
Total Millage by Type of Property				
Residential/Agricultural Real	4.59120	4.59170	4.54350	11.30000
Commercial/Industrial and Public Utility Real	5.45110	5.51040	5.48730	11.30000
General Business and Public Utility Personal	9.50000	9.50000	9.45000	11.30000
Weighted Average	8.85000	8.78000	8.80000	8.80000

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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

	2008	2009	2010	2011
Fairborn City School District				
Residential/Agricultural Real	\$30.1000	\$30.0066	\$30.1277	\$32.2323
Commercial/Industrial and Public Utility Real	31.0102	31.2887	31.4438	33.0970
General Business and Public Utility Personal	51.9000	51.8000	51.9000	52.6500
Greene County Joint Vocational School District				
Residential/Agricultural Real	2.5269	2.5285	2.5316	2.6460
Commercial/Industrial and Public Utility Real	2.6030	2.6776	2.6963	2.8188
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500
General Health District				
Residential/Agricultural Real	0.4570	0.4573	0.4578	0.8000
Commercial/Industrial and Public Utility Real	0.4598	0.4731	0.4763	0.8000
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.8000
Greene County				
Residential/Agricultural Real	10.0302	10.9944	11.5834	11.2744
Commercial/Industrial and Public Utility Real	10.4644	11.5388	11.5388	11.8825
General Business and Public Utility Personal	11.5500	12.2500	12.2500	12.2500

Source: Greene County Auditor

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

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

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

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

2012	2013	2014	2015	2016	2017
\$32.0765	\$32.1015	\$33.1700	\$33.1900	\$35.9100	\$35.5983
33.1848	33.5243	34.0200	34.0300	36.7300	36.7839
52.5000	52.5000	52.6500	52.6500	55.3500	55.3500
2.6473	2.6494	2.6600	2.6500	2.6600	2.5606
2.8285	2.8550	2.8700	2.8000	2.7800	2.7896
3.4500	3.4500	3.4500	3.4500	3.4500	3.4500
0.8000	0.8000	0.8000	0.8000	0.8000	0.7702
0.8000	0.8000	0.8000	0.7800	0.7800	0.7765
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
11.2772	11.2842	11.6900	13.4900	13.4800	12.5810
11.9065	11.9692	12.4100	13.9300	13.8400	13.3735
12.2500	12.2500	12.6500	14.4500	14.4500	14.4500

City of Fairborn, Ohio
Principal Property Tax Payers
2017 and 2008
Schedule 7

			2017	
Taxpayer	Assessed Value	Percentage of Total Assessed Value		
Dayton Power and Light	\$11,570,360	2.21%		
Charter Woods LLC	6,246,030	1.19%		
NL Core Avalon Place LLC	5,414,610	1.04%		
US Bank NA Trustee	4,496,880	0.86%		
Brinley Place LLC	3,773,920	0.72%		
2377 Commerce Center Blvd. LLC	3,618,600	0.69%		
Double Bowler Properties Corp.	3,428,130	0.66%		
Vectren Energy	3,411,030	0.65%		
Stag Fairborn LLC	3,185,000	0.61%		
Trebein Limited ADK III	2,704,960	0.52%		
Total Principal Property Tax Payers	47,849,520	9.15%		
Total All Others	474,898,140	90.85%		
Total Assessed Value	\$522,747,660	100.00%		
			2008	
Taxpayer	Assessed Value	Percentage of Total Assessed Value		
Dayton Power and Light	\$8,713,390	1.61%		
Charter Woods LLC	6,547,140	1.21%		
Cemex Inc.	6,397,280	1.19%		
Group Housing LLC	4,435,660	0.82%		
MG-Mapleview LTD	4,221,630	0.78%		
2377 Commerce Center Blvd.	3,617,500	0.67%		
Woods Development LLC	3,582,360	0.66%		
Highland Apartments	3,411,600	0.63%		
Miami Valley Publishing Co. Inc.	3,290,870	0.61%		
Campus Village Wright State LLC	3,265,050	0.61%		
Total Principal Property Tax Payers	47,482,480	8.79%		
Total All Others	492,693,717	91.21%		
Total Assessed Value	\$540,176,197	100.00%		

Source: County Auditor

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

Collection Year	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2)	Total Tax Collections	Percent of Total Collections To Total Levy
2008	\$2,634,989	\$2,222,926	84.36%	\$86,433	\$2,641,320	100.24%
2009	2,610,958	2,288,344	87.64%	93,338	2,426,111	92.92%
2010	2,655,059	2,308,396	86.94%	195,165	2,720,208	102.45%
2011	2,674,411	2,292,610	85.72%	111,913	2,415,927	90.33%
2012	5,710,090	4,942,985	86.57%	269,885	5,235,212	91.68%
2013	5,724,178	5,058,861	88.38%	308,403	5,404,927	94.42%
2014	5,639,412	5,038,661	89.35%	199,257	5,237,918	92.88%
2015	5,447,529	4,795,028	88.02%	207,400	5,002,428	91.83%
2016	5,468,707	4,874,179	89.13%	371,197	5,245,376	95.92%
2017	5,780,266	4,881,684	84.45%	377,457	5,259,141	90.98%

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					
2008	\$8,597,465	\$1,438,186	\$10,035,651	\$799,493	\$0	\$10,835,144	1.50%
2009	9,097,190	1,344,367	10,441,557	493,240	0	10,934,797	1.50%
2010	9,052,186	1,465,601	10,517,787	527,885	0	11,045,672	1.50%
2011	9,090,819	1,503,761	10,594,580	788,138	0	11,382,718	1.50%
2012	9,382,995	1,416,132	10,799,127	875,154	0	11,674,281	1.50%
2013	9,005,623	1,383,442	10,389,065	993,264	0	11,382,329	1.50%
2014	9,499,010	1,424,521	10,923,531	876,994	0	11,800,525	1.50%
2015	9,642,019	1,631,346	11,273,365	810,618	0	12,083,983	1.50%
2016	10,150,511	1,713,279	11,863,791	945,577	0	12,809,368	1.50%
2017	9,969,146	1,741,136	11,710,282	1,077,302	0	12,787,584	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
2008	\$890,000	\$1,960,000	\$2,365,000	\$260,000	\$6,650,000	\$0	\$0	\$804,147
2009	695,000	1,789,000	3,292,762	501,000	5,830,729	0	0	669,186
2010	570,583	1,437,000	1,993,163	710,000	4,802,583	0	0	527,264
2011	390,466	1,394,000	2,009,159	120,000	3,669,437	0	0	395,237
2012	350,350	1,190,000	1,553,293	68,686	2,496,291	0	0	262,874
2013	310,233	1,007,055	448,650	0	1,273,146	1,574,268	0	124,369
2014	200,117	785,943	311,734	0	0	1,486,714	0	90,631
2015	95,000	588,831	270,539	0	0	1,399,160	0	65,825
2016	0	465,719	758,697	0	0	1,311,606	334,832	40,212
2017	0	306,607	3,554,840	0	0	1,224,052	330,676	13,640

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
\$4,850,000	\$140,000	\$1,654,244	\$116,800	\$10,880,000	\$5,239	\$30,575,430	2.67%	\$954
4,021,044	130,000	1,252,220	108,458	10,635,000	4,767	28,929,166	2.57%	903
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	2.35%	543
14,087,518	80,000	0	8,342	2,793,746	1,555	19,390,516	2.54%	583
13,525,304	70,000	0	1,449	6,588,700	950	23,097,469	3.00%	690
12,953,090	60,000	0	0	6,591,852	324	25,035,081	3.26%	748

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
2008	\$5,740,000	\$1,504,143,343	32,054	0.38%	\$179.07
2009	4,716,044	1,601,809,888	32,054	0.29%	147.13
2010	11,131,504	1,592,114,576	32,352	0.70%	344.07
2011	10,047,734	1,599,282,841	32,352	0.63%	310.58
2012	9,870,127	1,479,320,869	32,352	0.67%	305.09
2013	15,417,179	1,491,268,373	32,798	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	33,487	0.88%	386.81

Source: (1) Greene County Auditor
(2) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2016 Est.)

Source: City Records

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

City of Fairborn, Ohio
Direct and Overlapping Governmental Activities Debt
December 31, 2017
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	\$306,607	100.00%	\$306,607
Notes Payable (3)	3,554,840	100.00%	3,554,840
Tax Increment Financing Revenue Bonds	1,224,052	100.00%	1,224,052
OPWC Loans	330,676	100.00%	330,676
Capital Lease Obligations	13,640	100.00%	13,640
	<hr/>		<hr/>
Total Direct Debt	5,429,815		5,429,815
	<hr/>		<hr/>
Overlapping Debt:			
Greene County	165,658,297	13.78%	22,827,713
Beavercreek City School District (2)	83,786,070	31.34%	26,258,554
Fairborn City School District (2)	46,594,653	81.44%	37,946,685
	<hr/>		<hr/>
Total Overlapping Debt	296,039,020		87,032,952
	<hr/>		<hr/>
Grand Total	\$301,468,835		\$92,462,767
	<hr/> <hr/>		<hr/> <hr/>

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, 2017.
- (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

	2008	2009	2010	2011
Total Assessed Valuation	\$540,176,197	\$570,379,988	\$564,153,550	\$566,692,030
Overall debt limitation - 10.5% of assessed valuation	56,718,501	59,889,899	59,236,123	59,502,663
Debt Outstanding				
General Obligation Bonds	5,740,000	4,725,000	11,205,000	10,115,000
Income Tax Revenue Bonds	6,650,000	5,690,000	4,690,000	3,585,000
Special Assessment Bonds	2,100,000	1,919,000	1,557,000	1,509,000
Loans Payable	1,771,044	1,360,678	919,043	568,607
Bond Anticipation Notes	13,505,000	14,428,762	6,747,762	7,692,762
Total Gross Indebtedness	29,766,044	28,123,440	25,118,805	23,470,369
Less Exempt Debt				
General Obligation Bonds	4,850,000	4,030,000	10,635,000	9,725,000
Income Tax Revenue Bonds	6,650,000	5,690,000	4,690,000	3,585,000
Special Assessment Bonds	2,100,000	1,919,000	1,557,000	1,509,000
Loans Payable	1,771,044	1,360,678	919,043	568,607
Bond Anticipation Notes	13,505,000	14,428,762	6,747,762	7,692,762
Total Exempt Debt	28,876,044	27,428,440	24,548,805	23,080,369
Net Debt Subject to Limitation	890,000	695,000	570,000	390,000
Less amount available in the Debt Service Fund	346,215	325,721	295,174	283,373
Total Net Debt Subject to Limitation	543,785	369,279	274,826	106,627
Legal debt margin within 10.5% limitation	\$56,174,716	\$59,520,620	\$58,961,297	\$59,396,036
Legal Debt Margin as a Percentage of the Debt Limit	99.0%	99.4%	99.5%	99.8%
Unvoted debt limitation 5.5% of assessed valuation	\$29,709,691	\$31,370,899	\$31,028,445	\$31,168,062
Debt Outstanding	29,766,044	28,123,440	25,118,805	23,470,369
Less Exempt Debt				
General Obligation Bonds	4,850,000	4,030,000	10,635,000	9,725,000
Income Tax Revenue Bonds	6,650,000	5,690,000	4,690,000	3,585,000
Special Assessment Bonds	2,100,000	1,919,000	1,557,000	1,509,000
Loans Payable	1,771,044	1,360,678	919,043	568,607
Bond Anticipation Notes	13,505,000	14,428,762	6,747,762	7,692,762
Total Exempt Debt	28,876,044	27,428,440	24,548,805	23,080,369
Net Debt Subject to Limitation	890,000	695,000	570,000	390,000
Less amount available in the Debt Service Fund	346,215	325,721	295,174	283,373
Total Net Debt Subject to Limitation	543,785	369,279	274,826	106,627
Legal debt margin within 5.5% limitation	\$29,165,906	\$31,001,620	\$30,753,619	\$31,061,435
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.2%	98.8%	99.1%	99.7%

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

2012	2013	2014	2015	2016	2017
\$524,652,220	\$530,399,900	\$511,398,860	\$512,787,100	\$516,498,230	\$522,747,660
55,088,483	55,691,990	53,696,880	53,842,646	54,232,314	54,888,504
9,560,082	15,272,286	16,326,563	15,480,000	14,745,000	14,095,000
2,440,000	1,245,000	0	0	0	0
1,300,000	1,035,000	874,000	667,000	534,000	365,000
202,578	41,714	25,028	8,342	336,281	330,676
8,403,500	715,000	410,000	3,058,900	7,336,518	10,124,003
21,906,160	18,309,000	17,635,591	19,214,242	22,951,799	24,914,679
9,210,082	14,962,286	14,639,732	14,020,000	13,465,000	12,900,000
2,440,000	1,245,000	0	0	0	0
1,300,000	1,035,000	874,000	667,000	534,000	365,000
202,578	41,714	25,028	8,342	336,281	330,676
8,403,500	715,000	410,000	3,058,900	7,336,518	10,124,003
21,556,160	17,999,000	15,948,760	17,754,242	21,671,799	23,719,679
350,000	310,000	1,686,831	1,460,000	1,280,000	1,195,000
237,023	295,670	251,075	195,510	125,934	64,383
112,977	14,330	1,435,756	1,264,490	1,154,066	1,130,617
\$54,975,506	\$55,677,660	\$52,261,124	\$52,578,156	\$53,078,248	\$53,757,887
99.8%	100.0%	97.3%	97.7%	97.9%	97.9%
\$28,855,872	\$29,171,995	\$28,126,937	\$28,203,291	\$28,407,403	\$28,751,121
21,906,160	18,309,000	17,635,591	19,214,242	22,951,799	24,914,679
9,210,082	14,962,286	14,639,732	14,020,000	13,465,000	12,900,000
2,440,000	1,245,000	0	0	0	0
1,300,000	1,035,000	874,000	667,000	534,000	365,000
202,578	41,714	25,028	8,342	336,281	330,676
8,403,500	715,000	410,000	3,058,900	7,336,518	10,124,003
21,556,160	17,999,000	15,948,760	17,754,242	21,671,799	23,719,679
350,000	310,000	1,686,831	1,460,000	1,280,000	1,195,000
237,023	295,670	251,075	195,510	125,934	64,383
112,977	14,330	1,435,756	1,264,490	1,154,066	1,130,617
\$28,742,895	\$29,157,665	\$26,691,181	\$26,938,801	\$27,253,337	\$27,620,504
99.6%	100.0%	94.9%	95.5%	95.9%	96.1%

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

OWDA Loan						
Calendar Year	Gross Revenues	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$5,480,155	\$3,432,202	\$2,047,953	\$380,453	\$102,279	4.24%
2009	5,586,017	3,127,248	2,458,769	402,024	80,706	5.09%
2010	5,770,826	3,955,133	1,815,693	424,949	55,693	3.78%
2011	5,943,585	3,670,074	2,273,511	333,750	33,377	6.19%
2012	6,508,691	5,103,267	1,405,424	349,343	17,787	3.83%
2013	6,656,869	4,142,833	2,514,036	144,178	4,242	16.94%
2014	0	0	0	0	0	0.00%
2015	0	0	0	0	0	0.00%
2016	0	0	0	0	0	0.00%
2017	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			Coverage
	Principal	Interest	Total	
\$10,194,655	\$920,000	\$294,850	\$1,214,850	8.39%
11,185,796	960,000	262,650	1,222,650	9.15%
11,442,949	1,000,000	229,050	1,229,050	9.31%
11,574,407	1,105,000	194,050	1,299,050	8.91%
11,994,955	1,145,000	152,613	1,297,613	9.24%
11,691,107	1,195,000	106,813	1,301,813	8.98%
11,911,179	1,245,000	56,025	1,301,025	9.16%
0	0	0	0	0.00%
0	0	0	0	0.00%
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)
2008	32,054	\$1,144,969	\$35,720	7.5%
2009	32,054	1,125,256	35,105	11.7%
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	758,542	22,959 (5)	4.8%
2015	33,251	763,410	22,959 (5)	4.1%
2016	33,487	768,828	22,959 (5)	4.1%
2017	33,487	768,828	22,959 (6)	4.0%

Sources:

- (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 Census, 2014-2016 Est.)
- (2) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
- (3) Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
- (4) Ohio Labor Market Information
- (5) Information was not available for 2014, 2015, or 2016; the 2013 amounts were used as an estimate
- (6) U.S. Census Bureau Quick Facts 2012-2016

City of Fairborn, Ohio
Principal Employers
 2017 and 2008
 Schedule 16

		2017
Employer		Number of Employees
Wright Patterson AFB		27,522
Wright State University		2,950
Fairborn City Schools		553
Teleperformance USA		476
Ali Industries		321
Peerless		303
City of Fairborn		279
Ball Aerospace Technologies		276
Morris Home Furniture Co.		251
Fairborn Cement Company (f.k.a. Cembex)		119
Total Employees		33,050
		2008
Employer		Number of Employees
Wright Patterson AFB		24,817
Wright State University		2,492
Fairborn City Schools		650
Logtec (1)		248
Ball Aerospace		275
Wright-Patt Credit Union		400
Northrop Grumman		250
City of Fairborn		250
Transcontinental Printing (1)		194
Total Employees		29,576

Source: Community Development Division

(1) Denotes corporate headquarters

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	2008	2009	2010	2011
General Government				
City Council	1.4	1.4	1.4	1.4
Municipal Court	29.5	30.1	29.3	26.2
City Administration	3.0	4.0	3.0	3.0
Finance	12.8	13.4	13.9	13.2
Legal	2.0	2.0	2.0	2.5
Personnel	1.0	1.0	1.0	1.0
Engineering	6.1	6.4	6.4	5.3
Plant Maintenance	8.8	8.8	8.5	8.4
Victim Witness	1.8	1.8	2.0	2.0
Public Safety (1)				
Police				
Sworn Officers	43.0	43.0	42.0	42.0
Non-Sworn	18.9	18.9	18.9	17.0
Fire	51.7	51.5	51.5	47.5
Community Environment				
Building Inspection	4.9	5.5	5.5	5.4
City Planner	2.8	2.5	2.5	2.3
Neighborhood Betterment	2.9	2.8	2.6	3.5
Economic Development				0.0
Leisure Time Activities				
Parks and Recreation	1.5	1.6	2.1	2.1
Transportation and Street Repair				
Street	9.4	10.0	10.0	10.1
State Highway	1.0	1.0	1.0	1.0
Public Health and Welfare				
Cemetery	1.5	1.5	1.0	1.0
Basic Utility Service				
Water	16.6	16.6	16.6	16.7
Sewer	22.5	21.9	21.9	22.1
Sanitation	1.1	1.6	2.1	1.1
Internal Service				
ITS	3.0	2.8	2.9	2.9
Equipment Services	7.1	7.1	7.1	6.1
Total	254.3	257.0	255.1	243.8

Source: Various City Departments

(1) Information obtained from department annual reports.

2012	2013	2014	2015	2016	2017
1.4	1.4	1.4	1.4	1.4	1.4
26.6	27.1	27.3	28.2	29.2	28.9
3.0	3.0	3.0	3.0	3.0	6.0
11.6	12.6	12.6	12.5	13.0	13.5
2.0	2.0	2.0	2.0	2.0	2.0
1.0	1.5	1.5	2.5	2.0	3.5
4.5	4.5	4.5	5.4	5.5	5.5
8.4	8.4	8.4	8.5	9.5	9.5
2.0	2.0	2.0	2.0	3.5	3.5
43.0	42.0	43.0	46.0	46.0	48.0
12.5	18.5	19.0	19.0	23.0	21.0
49.5	51.5	51.5	54.5	54.0	54.0
4.2	4.3	4.0	4.0	4.0	3.5
2.3	2.3	3.5	4.8	5.3	5.4
3.6	4.1	4.2	3.2	2.3	1.7
0.0	1.5	1.5	2.0	2.2	2.0
2.2	2.5	2.8	2.6	2.6	3.0
10.4	11.4	12.4	11.9	11.9	11.9
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.5	1.5	1.5	1.5
15.7	18.7	17.4	17.6	17.6	17.6
21.1	17.8	18.4	18.6	18.6	18.6
1.6	1.6	1.6	2.1	2.1	2.1
2.9	2.9	3.7	3.7	4.0	4.0
5.1	6.1	6.1	6.1	6.6	6.6
236.6	249.7	254.2	264.1	271.8	275.7

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

Function/Program	2008	2009	2010	2011
General government				
Municipal Court				
Criminal and Traffic Cases	18,369	15,728	13,877	13,388
Criminal and Traffic Trials	83	67	85	62
Criminal and Traffic Receipts (in 000's)	\$3,245	\$3,035	\$2,791	\$2,747
Civil/Small Claims Cases	2,410	2,022	2,116	1,857
Civil/Small Claims Trials	1,190	1,054	965	853
Civil/Small Claims Receipts (in 000's)	\$900	\$809	\$874	\$896
Security of Persons and Property				
Police				
Calls for Service	37,250	35,482	35,194	32,601
Parking Violations	689	979	822	761
Traffic Violations	5,986	4,820	4,063	3,947
Criminal Citations	3,740	3,183	1,690	1,362
Training Hours	2,739	3,741	1,814	2,595
Fire				
Emergency Responses	6,214	6,095	6,287	6,464
Inspections	1,200	1,100	889	1,300
Training Hours	5,400	4,487	1,700	2,300
Community Environment				
Planning and Development				
Residential Construction Permits Issued	806	1,048	1,068	1,125
Estimated Value of Residential Construction	\$10,092,588	\$30,159,074	\$20,844,967	\$25,238,437
Commercial Construction Permits Issued	380	290	312	389
Estimated value of Commercial Construction	\$25,416,559	\$6,188,505	\$6,021,792	\$5,285,194
Parks and Recreation				
Softball Registrations	100	93	65	64
Weekday Fast-Pitch Registrations (youth) (1)	0	0	0	0
Weekend Softball Tournaments	57	64	55	72
Water				
New Connections	68	70	49	62
Water Main Breaks	42	33	44	33
Average Daily Consumption (millions of gallons)	3.300	3.300	2.445	2.415
Peak Daily Consumption (millions of gallons)	4.730	4.240	4.258	4.012
Total Water Treated (millions of gallons)	1,202	1,212	1,203	1,200
Average Daily Treatment (millions of gallons)	3.3	3.3	3.3	3.5
Hydrants Flushed	1,423	1,463	1,353	1,500
Sewer				
Total Water Treated (millions of gallons)	1,669	1,530	1,550	1,943
Average Daily Treatment (millions of gallons)	4.6	4.2	4.3	5.3

Source: Various City Departments

(1) New youth softball category added in 2014

2012	2013	2014	2015	2016	2017
13,677	13,516	15,187	14,258	17,124	18,156
76	70	70	47	52	58
\$2,634	\$2,792	\$2,768	\$2,801	\$2,738	\$3,340
1,765	1,672	1,914	1,735	2,036	1,767
819	429	600	115	133	85
\$881	\$743	\$754	\$822	\$903	\$1,045
34,709	44,920	49,640	49,038	52,754	55,603
946	1,315	1,439	1,272	1,444	1,726
4,123	5,226	4,585	4,302	4,085	4,955
2,174	2,521	2,640	2,462	2,410	3,300
3,636	3,391	4,397	5,084	6,632	6,312
6,479	6,007	6,479	6,861	7,018	7,327
1,300	1,156	1,087	646	676	459
2,300	2,064	2,397	2,831	6,888	7,346
1,120	984	1,114	1,086	1,452	1,590
\$18,449,074	\$7,012,006	\$14,450,637	\$14,299,730	\$22,288,216	\$25,520,088
395	395	433	457	461	513
\$18,962,948	\$7,012,006	\$5,078,437	\$19,682,700	\$22,279,340	\$31,474,180
63	54	25	28	28	25
0	0	26	21	16	16
72	61	35	36	22	21
68	63	93	40	68	55
55	88	53	59	43	56
3.600	3.400	3.460	3.290	3.180	2.360
4.900	5.110	4.310	4.680	4.340	3.770
1,359	1,213	1,140	1,200	1,160	1,020
3.7	3.5	3.5	3.3	3.2	2.8
1,503	1,029	1,496	1,482	1,465	1,465
1,479	1,524	1,479	1,600	1,508	1,599
4.0	4.2	4.4	4.4	4.1	4.4

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

Function/Program	2008	2009	2010	2011
Police				
Stations	1	1	1	1
Patrol units	30	30	30	13
Fire Stations	4	4	4	4
Public Works				
Area of City (square miles)	13.41	13.40	13.41	13.41
Streets (lane miles)	294.94	294.94	296.13	297.27
Streetlights	2,512	2,512	2,506	2,514
Parks and Recreation				
Number of Parks ¹	19	20	20	20
Acreage	686.57	714.30	715.00	712.33
Playgrounds	17	18	18	19
Baseball/softball diamonds ²	15	15	15	15
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
Municipal Water Department				
Daily Treatment Capacity (millions of gallons)	5.40	5.40	5.40	6.50
Water Mains (miles)	149.78	149.78	149.93	151.78
Fire hydrants	1,470	1,477	1,412	1,493
Sewers				
Daily Treatment Capacity (millions of gallons)	6.00	6.00	6.00	6.00
Storm Sewers (miles)	112.32	112.32	113.16	113.82
Sanitary Sewers (miles)	136.20	136.50	137.52	138.02

Source: Various City Departments

¹ Includes parks, wetlands and reserves. Excludes Bikeway

² Three fields have been restored are in service again

³ Four courts have been restored and are in service again

2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
13	13	13	14	14	15
4	4	4	4	4	4
13.41	13.53	14.01	14.71	14.73	14.73
298.15	299.24	299.52	300.00	301.34	302.11
2,552	2,553	2,553	2,768	2,781	2,781
20	20	20	20	19	21
714.33	714.33	714.33	719.11	689.25	773.41
19	19	20	20	20	21
15	11	11	10	12	15
12	12	12	12	12	12
14	14	14	10	10	14
0	0	0	0	0	13
0	0	0	0	0	2
0	0	0	0	0	1
6.50	6.50	6.50	6.50	6.50	6.50
152.26	152.96	154.06	155.84	158.06	158.40
1,493	1,500	1,505	1,505	1,465	1,545
6.00	6.00	6.00	6.00	6.00	6.00
114.60	114.60	115.08	117.42	121.76	123.00
138.65	138.81	138.93	139.15	141.46	141.80



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