



City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2014

City of Fairfield, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014

**Prepared By:
Department of Finance
Mary Hopton, Director**

On the Cover

The bronze sculptures “Jazz” designed by Gary Alsum of Loveland, Colorado and “Monet” designed by Gary Lee Price of Springville, Utah are featured at the entry ways of the City’s Community Arts Center.

The sculptures reflect the artistic and musical components of the venue.

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Introductory Section



June 30, 2015

The Honorable Steve Miller, Mayor
Members of City Council
City of Fairfield
5350 Pleasant Avenue
Fairfield, Ohio 45014

The Comprehensive Annual Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 2014 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Fairfield, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects upon the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the independent auditor report.

City Overview

The City is located in the southwest portion of Ohio in Butler County, approximately 15 miles north of downtown Cincinnati, Ohio. Surrounded by rolling hills, Fairfield is rich in resources that include a population and government dedicated to progress and is strategically positioned for successful residential and commercial development.

Incorporated in 1955, the City operates under a charter and is served by a Council/City Manager form of government. The legislative body of Fairfield consists of a mayor and seven council members who are responsible for the legislative affairs of the City. Council also makes appointments to various statutory and advisory boards and appoints the City Manager, Law Director and Clerk of Council. As chief executive officer, the City Manager is responsible for enforcement of all laws and ordinances, the efficient delivery of services, and preparation of capital and operating budgets.

The City provides many of the municipal services normally associated with a municipality, including emergency services, street construction and maintenance, engineering, building and planning services, economic development and recreational activities. In addition, water, sanitary sewer, solid waste collection and disposal, and recreation facilities are operated under an Enterprise fund concept with user charges set by City Council or the Park Board to ensure adequate coverage of expenses and payments on outstanding debt.

Economic Conditions and Outlook

The City of Fairfield's standards for services are considered excellent and its tax rates compare favorably to other area governments. Geographically, the City consists of approximately 20 square miles of residential neighborhoods, commercial and industrial developments. The City of Fairfield is located within minutes of four major interstates, I-75, I-71, I-74 and I-275.

The City's employer base continues to help provide a stable backbone for the City's main revenue stream, income tax. While many other communities have experienced loss of jobs and/or industries, Fairfield has been fortunate to retain desirable businesses and industries that are keeping jobs at a consistent level in Fairfield.

In 2012, the residents of the City approved a reapportionment of the 1.5% income tax to help offset State revenue losses of \$1.5 million. This reapportionment effective in 2013 reallocated approximately monies to the General fund by reducing the Street and Capital Improvement funds each by 0.05%. From this reapportionment, the General fund received an additional \$1.7 million.

Relevant Financial Policies

The State of Ohio legislative branch passed House Bill 5, a municipal tax uniformity bill, in 2014 and the Governor signed it on December 19, 2014. This bill contains language modifying what a municipal government can levy an income tax on as well as how the municipal government can collect that income tax. Municipal representatives worked closely with the bill's sponsors and proponents to reach a consensus on the bill, which seeks more uniformity amongst Ohio's cities and villages levying an income tax. Most provisions of this bill will become effective in January 2016.

Legislative changes will need to be made to Section 181 of the City's Codified Ordinances to comply with the new State law. At this time the City is uncertain of the estimated financial impact these legislative changes will have on income tax receipts.

Major Initiatives

The following were among the many diverse activities and/or programs to which both the elected officials and staff devoted their energies in 2014:

- 1) Construction work was completed on Exit 39 of I-275. These improvements included widening of the bridge, ramps and interchange along Gilmore Road, Mack Road and Kolb Drive. This project has an estimated cost of \$14 million with outside funding from grants and the City of Forest Park. The City has spent approximately \$1.5 million on this project which was completed in the fall of 2014.
- 2) The preliminary work on the improvements at the intersection of State Route 4 and Holden Boulevard continued in 2014. This project will improve traffic flow by adding an additional eastbound left turn lane from South Gilmore and an additional westbound turn lane from Holden Boulevard with an estimated cost of \$2.7 million, including outside funding from the Ohio Department of Transportation of \$2.4 million. Construction is scheduled to begin in 2016.
- 3) The City continued to work with outside vendors to add a generator at the Wastewater Plant. This generator will help maintain plant operations in the event of an emergency and is estimated to cost \$2.5 million. Financing options are being considered to make this project possible with the hopes of completing the project in early 2015.

Future Projects

Accomplishments and significant capital projects to look forward to in 2015 include the following:

- 1) Improvements to US 127 (Pleasant Avenue) at the southern end of Fairfield will begin in early 2015. The addition of a center turn lane and lengthening of the southbound lane will help with the increased traffic on US 127. This project is estimated to cost \$900,000 with 90% funding from an Ohio Department of Transportation grant.
- 2) Improvements to Nilles Road and Gray Road include storm sewers, guardrails, shoulder widening and pavement overlay. These improvements will cost approximately \$1.79 million with \$600,000 in outside funding. They will begin in 2015.
- 3) A major water line replacement project will begin on State Route 4 in late 2016 at a cost of approximately \$3.1 million. The water line replacement is in advance of an urban paving project for State Route 4 in collaboration with the Ohio Department of Transportation. Preliminary work will begin in 2015 with the paving beginning in 2017. The estimated cost of the paving is \$3.6 million with outside funding of \$1.8 million.

Internal Accounting and Budgetary Controls

We believe that the City's internal control structure adequately safeguarded assets and provided reasonable assurance of proper recording of financial transactions. It is further our intention to review these controls in depth on an ongoing basis for continued refinements and improvements.

Budgetary control is maintained at the department level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as assignments of the fund balance for the governmental fund types at December 31, 2014.

City Income Tax

Under the Ohio Revised Code, Section 718, municipal governments can levy an income tax. Since 1960, the City has levied an income tax on gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. The current income tax rate of 1.5% was approved by voters in 1971 and even though the rate has remained at 1.5%, the allocation of the income taxes has changed 3 times. The latest voter approved allocation occurred in 2012, effective for 2013. The new allocation of the income tax is 1.2% to the General fund, 0.15% to the Street Improvement fund and 0.15% to the Capital Improvement fund.

Receipts from this tax are directly related to employment levels and the general economic conditions in the Cincinnati area. Gross collections and allocations for the past two years are as follows:

	2014	2013
General fund 1.2%	\$21,225,749	\$20,759,109
Street Improvement fund 0.15%	2,653,219	2,594,889
Capital Improvement fund 0.15%	<u>2,653,219</u>	<u>2,594,889</u>
Gross Revenues	<u>\$26,532,187</u>	<u>\$25,948,887</u>

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Auditor of State has completed an audit of the financial statements. Their opinion on the City's financial statements is included in the financial section of this Comprehensive Annual Financial Report.

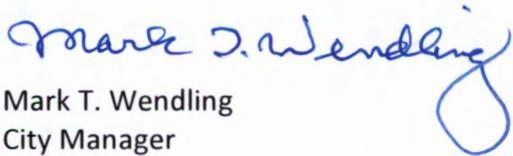
Certificate of Achievement

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 Fairfield for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2013. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Preparation of this report could not have been accomplished without the professional, efficient and dedicated services of the entire staff of the Finance Department and various department heads and employees who assisted and contributed to its preparation. Further appreciation is extended to the Mayor and City Council for their encouragement, assistance and approval. It is a sincere pleasure to be employed by a group of people who appreciate and respect principles of financial and budgetary restraint that prevails in the City of Fairfield.

Respectfully submitted,
CITY OF FAIRFIELD



Mark T. Wendling
City Manager



Mary Hopton
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Steve Miller

COUNCIL MEMBERS

Vice Mayor – Adam Jones

Chad Oberson
Terry Senger
Mike Synder

Marty Judd
Debbie Pennington
Bill Woeste

APPOINTED OFFICIALS

City Manager
Assistant City Manager
Director of Finance
Director of Law
Director of Public Works
Director of Parks and Recreation
Director of Public Utilities
Director of Development Services
Chief of Police
Chief of Fire
Clerk of Council

Arthur E. Pizzano
Mark Wendling
Mary Hopton
John H. Clemmons
Dave Butsch
James Bell
Dave Crouch
Timothy Bachman
Michael Dickey
Donald Bennett
Alisha Wilson

DEPARTMENT OF FINANCE

Mary Hopton, MBA
Tina Williams, CPA
Tom Hedge
Joseph Waldmann
Karen Broughton

Finance Director
Financial Services Manager
Income Tax Administrator
Information Technology Manager
Payroll Administrator



City Of Fairfield Service Delivery Chart

Citizens of Fairfield

Mayor & City Council (elected)

Municipal Judge (elected)

Municipal Court

Planning Commission
Board of Zoning Appeals
Board of Building Appeals
Parks & Recreation Board
Civil Service Commission
Charter Review Commission
Other Ad Hoc Boards & Committees

Clerk of Council

City Manager

Law Director

Asst. City Manager

Human Resources

Civil Service Commission Staff

Parks & Rec Department

Facilities/
Operations
Arts and Programs

Police Department

Operations
Community Services
Support Services

Fire Department

Fire Suppression
Emergency Medical Services
Fire Prevention

Finance Department

Financial Services
Income Tax
Information Technology

Development Services Dept.

Planning
Economic Development
Building and Zoning Inspection

Public Works Department

Streets
Engineering / Construction Services
Fleet / Facilities Manager

Public Utilities Department

Water
Wastewater



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fairfield
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Fairfield
Butler County
5350 Pleasant Avenue
Fairfield, Ohio 45014

To the City Council:

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 Fairfield, Butler County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 of Fairfield, Butler County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the 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 this presentation to include Management's discussion and analysis and required budgetary comparison schedules listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 30, 2015

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

The City of Fairfield's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2014. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The City's total net position increased \$307,210. Net position of governmental activities decreased \$326,406, net position of business-type activities increased by \$633,616.
- The general fund reported a fund balance of \$14,383,819.
- Business-type operations reflected operating income of \$392,103.
- The City had \$39,473,993 in expenses relating to governmental activities; program revenues offset \$7,305,710 of these expenses. General revenues of \$31,841,877 were also used to provide for these programs.

Overview of the Financial Statements

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

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-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 nonmajor funds presented in total in one column.

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City of Fairfield is financially better off or worse off as a result of the year's activities. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting 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. This change informs 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 need to take into account non-financial factors that also impact the City's financial wellbeing. Some of these factors include the City's tax base and the condition of capital assets.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

In the Government-wide Financial Statements, the City is divided into two kinds of activities.

- **Governmental Activities** - Most of the City's services are reported here including police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, building permits and interest finance most of these activities.
- **Business-Type Activities** - These services include water, sewer, waste collection utilities and the operation of recreation facilities. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. 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 bond covenants. Other funds may be established by the Finance Director, 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 use of grants. The City's major funds are General, Fire Levy, Street Improvement, Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities.

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 spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be 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 our 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.

Proprietary Funds - When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

Fiduciary Funds - The City is the fiscal agent for the Municipal Court, Warranty Bonds and Joint Economic Development District. The City's fiduciary responsibility is reported in the Statement of Fiduciary Assets and Liabilities. We exclude these balances from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

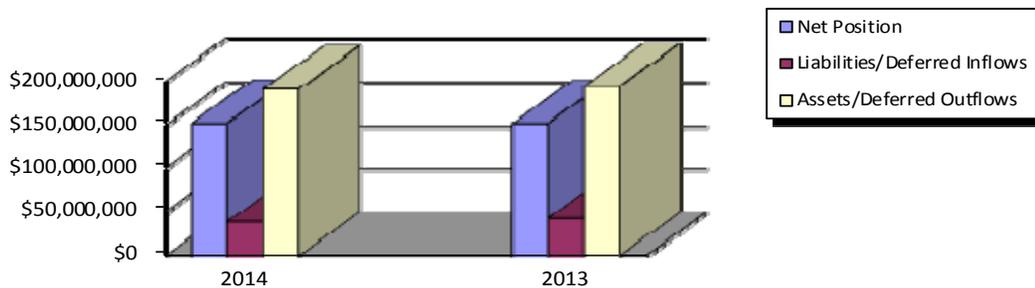
City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	\$44,668,148	\$46,253,379	\$11,995,222	\$12,176,704	\$56,663,370	\$58,430,083
Capital Assets	89,646,148	90,651,113	44,330,097	44,817,772	133,976,245	135,468,885
Total Assets	134,314,296	136,904,492	56,325,319	56,994,476	190,639,615	193,898,968
Deferred Outflows of Resources	260,860	291,663	34,712	39,670	295,572	331,333
Liabilities:						
Long-Term Liabilities	23,503,494	24,730,101	5,144,006	6,344,078	28,647,500	31,074,179
Other Liabilities	2,959,864	4,090,377	2,076,699	2,184,358	5,036,563	6,274,735
Total Liabilities	26,463,358	28,820,478	7,220,705	8,528,436	33,684,063	37,348,914
Deferred Inflows of Resources	4,929,567	4,867,040	0	0	4,929,567	4,867,040
Net Position:						
Net Investment In Capital Assets	70,400,669	69,235,249	38,873,969	37,900,975	109,274,638	107,136,224
Restricted	16,288,586	17,137,210	1,022,736	1,021,404	17,311,322	18,158,614
Unrestricted	16,492,976	17,136,178	9,242,621	9,583,331	25,735,597	26,719,509
Total Net Position	\$103,182,231	\$103,508,637	\$49,139,326	\$48,505,710	\$152,321,557	\$152,014,347



Total net position of the City as a whole increased \$307,210. Net position of the City's governmental activities decreased \$326,406, while the net position of the City's business-type activities increased \$633,616 from 2013. The largest portion of the City's net position reflect its investment in capital assets, less any related debt to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens of the City. The City had an unrestricted net position balance of that may be used to meet the government's ongoing obligations to citizens and creditors. Capital Assets decreased mainly due to current year depreciation expense being greater than additions. Total Long-Term Liabilities decreased mainly due to the City continuing to make its principal payments on its long term debt obligations.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

Table 2 shows the changes in net position at year-end and revenue and expense comparisons to 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for Services	\$4,346,776	\$4,163,918	\$14,791,370	\$14,390,678	\$19,138,146	\$18,554,596
Operating Grants and Contributions	2,944,428	2,933,524	88,048	31,597	3,032,476	2,965,121
Capital Grants and Contributions	14,506	1,707,738	900	145,770	15,406	1,853,508
Total Program Revenues	7,305,710	8,805,180	14,880,318	14,568,045	22,186,028	23,373,225
General Revenues:						
Income Taxes	23,586,464	25,606,839	0	0	23,586,464	25,606,839
Property Taxes	5,575,168	5,015,696	0	0	5,575,168	5,015,696
Grants and Entitlements	1,580,380	1,404,103	0	0	1,580,380	1,404,103
Investment Earnings	140,964	126,654	24,544	9,546	165,508	136,200
Other Revenues	1,253,901	1,693,821	204,500	295,954	1,458,401	1,989,775
Total General Revenues	32,136,877	33,847,113	229,044	305,500	32,365,921	34,152,613
Total Revenues	39,442,587	42,652,293	15,109,362	14,873,545	54,551,949	57,525,838
Program Expenses:						
General Government	8,179,792	7,631,141	0	0	8,179,792	7,631,141
Public Safety	17,231,019	16,268,499	0	0	17,231,019	16,268,499
Community Development	1,483,394	1,341,884	0	0	1,483,394	1,341,884
Liesure Time Activities	3,294,693	3,466,481	0	0	3,294,693	3,466,481
Transportation and Street Repair	8,004,851	6,045,380	0	0	8,004,851	6,045,380
Basic Utility Service	442,800	451,823	0	0	442,800	451,823
Public Health and Welfare	21,581	21,476	0	0	21,581	21,476
Interest and Other Charges	815,863	851,250	0	0	815,863	851,250
Water Utility	0	0	5,044,656	4,626,165	5,044,656	4,626,165
Sewer Utility	0	0	5,272,460	5,139,515	5,272,460	5,139,515
Solid Waste	0	0	2,173,408	2,140,007	2,173,408	2,140,007
Recreation	0	0	2,280,222	2,177,176	2,280,222	2,177,176
Total Program Expenses	39,473,993	36,077,934	14,770,746	14,082,863	54,244,739	50,160,797
Increase (Decrease) in Net Positon before Transfers	(31,406)	6,574,359	338,616	790,682	307,210	7,365,041
Transfers - Internal Activities	(295,000)	(145,000)	295,000	145,000	0	0
Change in Net Position	(326,406)	6,429,359	633,616	935,682	307,210	7,365,041
Net Position - Beginning of Year	103,508,637	97,079,278	48,505,710	47,570,028	152,014,347	144,649,306
Net Position - End of Year	\$103,182,231	\$103,508,637	\$49,139,326	\$48,505,710	\$152,321,557	\$152,014,347

Governmental Activities

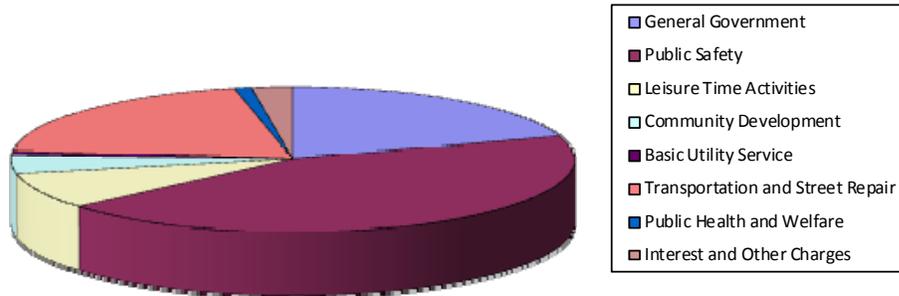
The City had a decrease in revenues mainly due to a decrease in Capital Grants and Contributions that the City received in 2014. Total expenses decreased mainly due to the City's continuing effort to control cost throughout the City.

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Revenues generated by the earnings tax represent approximately 73% of the City’s governmental activities general revenues. During 2014, when most communities were faced with budget cuts due to the economic downturn of the economy, the City’s 2014 earnings tax revenues decreased approximately 8.6% when compared to 2013 earnings tax revenues.

Governmental Activities
Program Expenses for 2014

	<u>Percentage</u>
General Government	20%
Public Safety	44%
Leisure Time Activities	8%
Community Development	4%
Basic Utility Service	1%
Transportation and Street Repair	20%
Public Health and Welfare	1%
Interest and Other Charges	2%
Total	<u>100%</u>



General Government includes legislative and executive as well as judicial expenses. The City seeks to improve the quality and efficiency of existing services as well as consider additional services. Leaf and brush pickup, storm sewer projects, and aggressive street resurfacing program, amenities in the parks, and police and fire services all culminate into a full service city. Services in the City of Fairfield have increased over the years and this has been accomplished by the City Council and the City’s work force.

Income Tax

This tax was originally levied in 1960, at a rate of 0.6%, to provide funds for street improvements, drainage improvements, and garbage collection. A 0.4% increase in 1966 was solely for the installation and operation of storm and sanitary sewers and the sewage disposal plant. A 0.5% increase in 1971, to the current 1.5% rate, was for the purpose of general operations, maintenance, and improvement of services.

The 1.5% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City.

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It also applies to net income of business organizations derived from business activities conducted in the City. In November of 1990, the citizens of Fairfield voted to change the distribution of the income taxes that allocated monies to the Sewer Funds. The 1.5% tax rate was subdivided into three components. The first 1.0% is used for operating expenses of the General Fund. Next, 0.3% is used for street construction, improvement and repair. Third, 0.2% of the tax is earmarked for capital improvements of a permanent nature.

In 2001, the City Council decided to begin an initiative to develop and revitalize the downtown area of Fairfield which consisted of constructing two new public buildings, a Community Arts Center and a Municipal Court and Polices Services Facility. In order to fund this major capital investment Council asked the voters to change the allocation of the Income Tax revenues. In November of 2002, the citizens of Fairfield approved the change which, beginning in January of 2004, the current tax rate allocates 1.1% for the operating expenses of the General Fund, 0.2% for street construction, improvement and repair and 0.2% for capital improvements of a permanent nature.

In 2012, Council asked the voters to change the allocation of the Income Tax revenues in order to maintain current service levels. The current economic conditions, coupled with losses in state revenue, had caused City income to decrease since 2008. The City trimmed the operational budget over that time, resulting in approximately \$1.5 million in cuts and was able to maintain services to the residents by drawing down on fund reserves. In 2012, those fund reserves were at a minimal acceptable level and continuing to draw them down further would put the City's financial situation in a non-sustainable position. In November 2012, the citizens of Fairfield approved the change which, beginning in January 2014, the current tax rate allocates 1.2% for the operating expenses of the General Fund, 0.15% for street construction, improvement and repair and 0.15% for capital improvements of a permanent nature.

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had operating income of \$392,103 for 2014. The operating revenues for business-type activities were \$14,970,150, while operating expenses were \$14,578,047 for 2014. The increase in operating income for 2014 was mainly due to an increase in the City's charges for services revenue, which was mainly due to an increase in water and sewer utilities collections in 2014 as compared to 2013.

Water – The City of Fairfield has been providing public water services to residents since 1958. The initial plant consisted of an ion exchange plant, with one train that could provide 750,000 gallons of water per day. A second train was constructed in 1965 provided a combined capacity of 1.5 million gallons of water per day.

For the next nearly twenty years, the City operated the ion exchange plant as its primary source of drinking water. But as the City grew, the supply was not sufficient to keep up with demand. As a result, the City entered into an agreement with the City of Hamilton to purchase supplemental water supplies, with more and more supplemental water required each year. In 1984, the City decided to become self-sufficient again for its water supply and initiated an expansion of the City's water plant. The expansion included construction of a separate wing providing treatment by lime/soda ash softening, as opposed to the existing process involving ion exchange treatment. This initial addition of the lime/soda ash plant

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consisted of a 4.5 MGD expansion. A second addition to the lime/soda ash plant was completed in 1990. Today, the plant has a combined capacity of 10.5 MGD day. This includes 1.5 MGD for the original ion exchange plant, and 4.5 MGD for each of the two phases of the lime/soda ash plant expansion.

Traditionally, engineering and design standards have been very conservative, with actual working capacities greatly exceeding design standards. Re-rating is a formal, regulatory process that allows the plant - with a few, low-capital intensive improvements to be rated for increased capacity. In 2003 the City petitioned the state of Ohio and was granted to have the capacity of the lime/soda ash plant re-rated from 9.0 to 13.5 million gallons per day. This should meet all potential demands for the City of Fairfield for the foreseeable future.

Today, the Fairfield Water Department serves nearly 11,400 residential and 900 commercial accounts. This represents a population base of nearly 47,000 people. This includes the operation of the treatment plant; five elevated water towers and 180 miles of water mains in its distribution system. The City also maintains emergency connections with cities of Hamilton and Cincinnati for providing back-up water supplies in the event of an emergency.

Wastewater – The City of Fairfield has been operating a public wastewater collection and treatment system since 1965. The Wastewater Treatment Plant is located on Groh Lane and discharges treated water to the Great Miami River. The Wastewater Treatment Plant consists of conventional activated sludge treatment process, with a treatment capacity of 10.0 million gallons per day (MGD) and a hydraulic capacity of 15.0 MGD. The flows average approximately 4.7 MGD.

As part of the treatment process, water solids-laden sludge is produced. The sludge, called bio-solids, has been stabilized to destroy infectious organisms and is used as a soil conditioner for managed farming operations. The bio-solids improve soil matrixes by adding nutrients and water retention capacities. In addition, they help to add bulking characteristics that help to aerate the soil. The bio-solids disposal program is coordinated with area farmers who are able to take advantage of the agronomic enriching characteristics.

In an effort to respond to increased flows induced during period of extended rainfall, the City embarked on an extensive sewer relief project to alleviate surcharging caused by storm water entering the sanitary sewer system. The relief sewer system captures potential overflows and conveys excess flows to off-line storage facilities at the Wastewater Treatment Plant. The excess flows can then be metered into the Treatment Plant once storm conditions subside.

The sanitary sewer collection system includes nearly 180 miles of sanitary sewer main, and 4,000 manholes. It also includes thirteen (13) lift stations to elevate collected wastewater to a height that it can resume a normal flow by gravity.

Waste Collection – The City contracts with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2012, Council authorized a contract renewal for five additional years with Rumpke for Fairfield residents' waste and recycling collection services. Per the City's contract the 2014 rate was \$11.45 per month for curbside service and \$6.50 per month for dumpster service. The rates increased in September, 2014 to \$11.65 per month for curbside service and \$6.65 per month for dumpster service. The full costs of the services are passed–

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through to the residents. Annual increases are scheduled throughout the contract which will result in the curbside rate to be \$12.25 and the dumpster rate to be \$7.10 at the end of the five year contract.

Recreation Facilities- The City of Fairfield acquired the Pleasant Run Country Club in 1978, with assistance through the Land and Water Conservation Fund grant program and immediately re-named the facility the Pleasant Run Golf Course, since then the Golf Course was re-named to Fairfield South Trace Golf Course. With its acquisition, the City added an 18-hole championship golf course, clubhouse facility and 4-lane/25 meter swimming pool to its recreational inventory.

In the late 1980's the City retained the services of Hurdzan Golf Course Architects to provide a master plan for a series of improvements at the Fairfield South Trace Golf Course, in order to make the course more playable, enjoyable and safer for the golfer. These improvements were implemented over a five-year period.

In the late 1980's the City acquired approximately 55 acres north of the golf course to construct a flood detention basin. As the community grew, the need for recreational opportunities increased. In an early 1990's recreational needs assessment study, the replacement of the swimming pool was rated as a top priority. The City retained the services of Brandstetter/Carroll Architects to begin the design work on a new aquatic facility for the community. In summer of 1997, the City opened the Fairfield Aquatic Center. The center housed an eight-lane/25 meter competitive pool, diving area, children's wading pool, 90-foot water slide, zero depth entry, three in-water play features, grass beach area, concession building, bath house, sand volleyball courts, large sun deck, and two play structures.

As the community struggled with the maintenance of its flood detention projects an idea emerged to construct a 9-hole executive golf course within the detention basin adjacent to the existing 18-hole golf course. After researching the possible alternatives, the City again retained the services of Hurdzan Golf Course Architects to design of the 9-hole executive golf course. Since the City would be operating two golf courses, that were contiguous to each other but separate operations, it was necessary that both courses be easily recognizable but identifiable as separate golf courses. Therefore after careful study, the 18-hole golf course was re-named Fairfield Greens Golf Course/South Trace and the new golf course was named the Fairfield Greens Golf Course/North Trace.

The City's Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and Street Improvement Fund. Assets of these funds comprised \$30,363,837 (69%) of the total governmental fund assets.

General Fund: Fund balance at December 31, 2014 was \$14,383,819, a decrease in fund balance of \$1,210,760 from 2013. The general fund had a decrease in fund balance mainly due to a decrease in taxes revenue mainly due to a decrease in income tax collections.

Fire Levy Fund: Fund deficit at December 31, 2014 was \$223,459, an increase in fund deficit of \$110,959 from 2013. The increase in fund deficit was mainly due to an increase in public safety expenditures.

Street Improvement Fund: Fund balance at December 31, 2014 was \$4,244,997. The Street Improvement Fund had an increase in fund balance primarily due to an increase in transfers into this

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fund from the general fund.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the department and object level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

For the General Fund, the final budgeted expenditures were \$28,023,226 and the final actual expenditures were \$26,372,220. The difference was \$1,651,006. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following: the City conservatively budgeted for the general services and the police and justice center expenditures for 2014. As the City completed the year, its General Fund balance reported an actual fund balance of \$13,061,240, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$133,976,245 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2014 balances compared to 2013:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$18,565,119	\$17,658,421	\$1,641,949	\$1,641,949	\$20,207,068	\$19,300,370
Construction in Progress	2,216,809	6,478,653	1,835,320	867,286	4,052,129	7,345,939
Buildings and Improvements	47,891,107	47,512,653	47,781,838	47,730,577	95,672,945	95,243,230
Equipment	16,867,352	16,680,091	4,682,395	4,560,029	21,549,747	21,240,120
Infrastructure	97,243,481	91,685,449	33,880,236	33,632,746	131,123,717	125,318,195
Accumulated Depreciation	(93,137,720)	(89,364,154)	(45,491,641)	(43,614,815)	(138,629,361)	(132,978,969)
Total Net Capital Assets	<u>\$89,646,148</u>	<u>\$90,651,113</u>	<u>\$44,330,097</u>	<u>\$44,817,772</u>	<u>\$133,976,245</u>	<u>\$135,468,885</u>

The decrease in net capital assets was mainly due to depreciation expense being greater than additions.

See Note 6 to the notes to the basic financial statements for further details on the City's capital assets.

Debt

The City had \$18,756,339 in Governmental Activities long-term debt and \$4,556,128 in Business-Type Activities long-term debt.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

Table 4
Outstanding Debt at Year End

		<u>2014</u>	<u>2013</u>
Governmental Activities:			
<u>Bonds and Notes:</u>			
Various Purpose Golf and Justice Center - 2009	3.56%	\$4,920,000	\$5,160,000
Various Purpose Refunding - 2009	3.23%	1,210,000	1,480,000
Roadway Improvement Bonds - 2010A	4.64-6.09%	6,000,000	6,000,000
Roadway Improvement Bonds - 2010B	3.74-4.44%	1,230,000	1,230,000
Roadway Improvement Bonds - 2010C	2.00-2.25%	395,000	780,000
Various Purpose Refunding - 2012	3.66%	760,000	1,110,000
Community Arts Center Refunding 2012	4.50%	3,910,000	4,290,000
Premium/(Discount)	n/a	331,339	377,762
Total Bonds and Notes:		<u>18,756,339</u>	<u>20,427,762</u>
Capital Lease	5.31%	<u>0</u>	<u>29,765</u>
Total Governmental Activities		<u>\$18,756,339</u>	<u>\$20,457,527</u>
Business Type Activities:			
OWDA Wastewater Improvement Loan	3.79-4.12%	\$2,665,171	\$3,528,338
Water Refunding Mortgage Revenue Bond - 2009	3.15%	875,000	1,155,000
Premium on Various Purpose Water Refunding - 2009	n/a	14,434	19,245
Various Purpose Refunding - 2012	3.66%	950,000	1,095,000
Premium on Various Purpose Water Refunding - 2012	n/a	51,523	58,884
Total Business Type Activities		<u>\$4,556,128</u>	<u>\$5,856,467</u>

The unvoted Various Purpose General Obligation Bonds for street improvement will be paid with municipal income tax revenue. The Various Purpose General Obligation Bonds for other improvements and Community Arts Center Bonds will be paid with property tax revenues via transfers from the General Fund. The Capital Lease will be paid out of the General Fund.

See Notes 9 to the notes to the basic financial statements for further details on the City's long-term debt.

Economic Factors

The City of Fairfield has been able to work through the economic conditions over the past several years through good budgeting and internal controls. Stabilization of the City's main revenue source, income tax, has been largely due to the employers located in the City. The employers are holding their employment levels consistent as the economy stabilizes, which has resulted in steady withholding tax to the City.

With the 2012-2013 State operating budget and the elimination of the estate tax in 2013, the City has lost approximately \$1,500,000 in revenue. Fortunately, the City residents approved a reapportionment of the City's current income tax of 1.5% beginning in 2013. This reapportionment will replace the funds lost due to the State budget cuts by reallocating .05% each from the Street Improvement and Capital Improvement funds to the General fund. The income tax allocation beginning in 2013 was 1.2% to the

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Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)

General fund, or approximately \$20.5 million, and 0.15%, approximately \$2.6 million, each to the Street Improvement and Capital Improvement funds.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Fairfield, 5350 Pleasant Avenue, Fairfield, Ohio 45014.

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City of Fairfield, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$30,405,019	\$9,168,291	\$39,573,310
Restricted Cash	0	1,022,736	1,022,736
Receivables (Net):			
Taxes	11,150,656	0	11,150,656
Accounts	337,161	1,547,916	1,885,077
Interest	16,687	2,110	18,797
Intergovernmental	2,758,625	62,708	2,821,333
Inventory	0	191,461	191,461
Nondepreciable Capital Assets	20,781,928	3,477,269	24,259,197
Depreciable Capital Assets, Net	68,864,220	40,852,828	109,717,048
Total Assets	134,314,296	56,325,319	190,639,615
Deferred Outflows of Resources:			
Deferred Charge on Refunding	260,860	34,712	295,572
Total Deferred Outflows of Resources	260,860	34,712	295,572
Liabilities:			
Accounts Payable	723,003	645,851	1,368,854
Accrued Wages and Benefits	1,191,489	203,121	1,394,610
Accrued Interest Payable	65,950	8,561	74,511
Due to Other Governments	28,035	53,305	81,340
Claims Payable	201,387	12,845	214,232
Other Liabilities	0	253,016	253,016
General Obligation Notes Payable	750,000	900,000	1,650,000
Long-Term Liabilities:			
Due Within One Year	2,919,556	1,557,195	4,476,751
Due In More Than One Year	20,583,938	3,586,811	24,170,749
Total Liabilities	26,463,358	7,220,705	33,684,063
Deferred Inflows of Resources:			
Property Taxes	4,657,500	0	4,657,500
Revenue in Lieu of Taxes	272,067	0	272,067
Total Deferred Inflows of Resources	4,929,567	0	4,929,567
Net Position:			
Net Investment in Capital Assets	70,400,669	38,873,969	109,274,638
Restricted for:			
Debt Service	1,929,153	0	1,929,153
Capital Projects	2,512,713	1,022,736	3,535,449
Street Construction and Maintenance	5,984,485	0	5,984,485
Court Services	4,674,335	0	4,674,335
Public Safety	344,427	0	344,427
Other Purposes	843,473	0	843,473
Unrestricted	16,492,976	9,242,621	25,735,597
Total Net Position	\$103,182,231	\$49,139,326	\$152,321,557

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$8,179,792	\$1,802,079	\$7,670	\$0
Public Safety	17,231,019	1,162,252	571,493	442
Community Development	1,483,394	529,106	0	0
Leisure Time Activities	3,294,693	248,952	0	0
Transportation and Street Repair	8,004,851	37,452	2,365,265	14,064
Basic Utility Service	442,800	566,935	0	0
Public Health and Welfare	21,581	0	0	0
Interest and Other Charges	815,863	0	0	0
Total Governmental Activities	39,473,993	4,346,776	2,944,428	14,506
Business-Type Activities:				
Water Utility	5,044,656	4,825,443	62,708	900
Sewer Utility	5,272,460	5,968,424	0	0
Solid Waste	2,173,408	2,165,612	25,340	0
Recreation	2,280,222	1,831,891	0	0
Total Business-Type Activities	14,770,746	14,791,370	88,048	900
Totals	\$54,244,739	\$19,138,146	\$3,032,476	\$15,406

General Revenues:
Income Taxes
Property Taxes Levied for:
 General Purposes
 Special Revenue Purposes
Grants and Entitlements, Not Restricted
Revenue in Lieu of Taxes
Investment Earnings
Other Revenues
Transfers-Internal Activities

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - 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
(\$6,370,043)	\$0	(\$6,370,043)
(15,496,832)	0	(15,496,832)
(954,288)	0	(954,288)
(3,045,741)	0	(3,045,741)
(5,588,070)	0	(5,588,070)
124,135	0	124,135
(21,581)	0	(21,581)
(815,863)	0	(815,863)
<u>(32,168,283)</u>	<u>0</u>	<u>(32,168,283)</u>
0	(155,605)	(155,605)
0	695,964	695,964
0	17,544	17,544
0	(448,331)	(448,331)
<u>0</u>	<u>109,572</u>	<u>109,572</u>
<u>(32,168,283)</u>	<u>109,572</u>	<u>(32,058,711)</u>
23,586,464	0	23,586,464
1,987,282	0	1,987,282
3,587,886	0	3,587,886
1,580,380	0	1,580,380
313,274	0	313,274
140,964	24,544	165,508
940,627	204,500	1,145,127
(295,000)	295,000	0
<u>31,841,877</u>	<u>524,044</u>	<u>32,365,921</u>
(326,406)	633,616	307,210
<u>103,508,637</u>	<u>48,505,710</u>	<u>152,014,347</u>
<u>\$103,182,231</u>	<u>\$49,139,326</u>	<u>\$152,321,557</u>

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$13,311,073	\$65,122	\$4,944,565	\$10,497,088	\$28,817,848
Receivables (Net):					
Taxes	6,232,375	3,634,673	641,804	641,804	11,150,656
Accounts	337,161	0	0	0	337,161
Interest	12,051	0	1,938	2,698	16,687
Intergovernmental	357,199	187,005	10,966	2,203,455	2,758,625
Interfund	627,905	0	0	0	627,905
Total Assets	20,877,764	3,886,800	5,599,273	13,345,045	43,708,882
Liabilities:					
Accounts Payable	261,232	36,130	170,212	233,850	701,424
Accrued Wages and Benefits	827,607	243,221	0	94,090	1,164,918
Compensated Absences	164,446	0	0	0	164,446
Accrued Interest Payable	0	0	3,375	0	3,375
Due to Other Governments	28,035	0	0	0	28,035
Interfund Payable	0	0	0	627,905	627,905
Claims Payable	39,300	9,230	0	5,326	53,856
General Obligation Notes Payable	0	0	750,000	0	750,000
Total Liabilities	1,320,620	288,581	923,587	961,171	3,493,959
Deferred Inflows of Resources:					
Property Taxes	1,097,944	3,634,673	0	0	4,732,617
Income Taxes	3,398,526	0	424,816	424,816	4,248,158
Grants and Other Taxes	137,971	187,005	4,316	1,506,687	1,835,979
Special Assessments	193,940	0	0	0	193,940
Accounts	334,335	0	0	0	334,335
Investment Earnings	10,609	0	1,557	2,271	14,437
Total Deferred Inflows of Resources	5,173,325	3,821,678	430,689	1,933,774	11,359,466
Fund Balances:					
Restricted	0	0	4,244,997	10,386,815	14,631,812
Assigned	1,276,408	0	0	186,814	1,463,222
Unassigned	13,107,411	(223,459)	0	(123,529)	12,760,423
Total Fund Balances	14,383,819	(223,459)	4,244,997	10,450,100	28,855,457
Total Liabilities, Deferred Inflows and Fund Balances	\$20,877,764	\$3,886,800	\$5,599,273	\$13,345,045	\$43,708,882

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2014

Total Governmental Fund Balance \$28,855,457

Amounts reported for governmental activities in the
 statement of net position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 89,646,148

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

Income Taxes	\$4,248,158	
Delinquent Property Taxes	75,117	
Interest	14,437	
Intergovernmental	1,250,638	
Other Receivables	841,549	
		6,429,899

An internal service fund is used by management to charge
 back costs to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net position.

Internal Service Net Position 1,292,632

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources.

(62,575)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

Compensated Absences (4,483,851)

Deferred outflow of resources associated with long-term liabilities
 are not reported in the funds.

260,860

Long-term liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds.

(18,756,339)

Net Position of Governmental Activities

\$103,182,231

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2014

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$1,997,561	\$3,630,039	\$0	\$0	\$5,627,600
Income Taxes	17,948,325	0	2,329,342	2,329,342	22,607,009
Charges for Services	1,547,768	1,127,962	0	0	2,675,730
Investment Earnings	76,227	25	11,839	54,080	142,171
Intergovernmental	1,378,887	378,724	403,122	3,301,140	5,461,873
Special Assessments	17,271	0	0	23,316	40,587
Fines, Licenses & Permits	1,211,144	6,125	0	641,946	1,859,215
Other Revenues	343,336	53,397	0	45,265	441,998
Total Revenues	24,520,519	5,196,272	2,744,303	6,395,089	38,856,183
Expenditures:					
Current:					
General Government	7,599,206	0	0	463,753	8,062,959
Public Safety	10,396,734	5,748,170	0	12,866	16,157,770
Community Development	1,434,544	0	0	0	1,434,544
Leisure Time Activities	2,526,615	0	0	0	2,526,615
Transportation and Street Repair	0	0	883,781	4,430,795	5,314,576
Basic Utility Service	442,800	0	0	0	442,800
Public Health and Welfare	21,581	0	0	0	21,581
Capital Outlay	22,377	9,061	1,121,209	2,481,271	3,633,918
Debt Service:					
Principal	29,765	0	0	1,625,000	1,654,765
Interest and Other Charges	330	0	0	835,041	835,371
Total Expenditures	22,473,952	5,757,231	2,004,990	9,848,726	40,084,899
Excess of Revenues Over (Under) Expenditures	2,046,567	(560,959)	739,313	(3,453,637)	(1,228,716)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	17,673	0	0	56,237	73,910
Transfers In	0	450,000	1,250,000	4,831,244	6,531,244
Transfers (Out)	(3,275,000)	0	(1,689,859)	(2,061,385)	(7,026,244)
Total Other Financing Sources (Uses)	(3,257,327)	450,000	(439,859)	2,826,096	(421,090)
Net Change in Fund Balance	(1,210,760)	(110,959)	299,454	(627,541)	(1,649,806)
Fund Balance - Beginning of Year	15,594,579	(112,500)	3,945,543	11,077,641	30,505,263
Fund Balance - End of Year	\$14,383,819	(\$223,459)	\$4,244,997	\$10,450,100	\$28,855,457

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2014

Net Change in Fund Balance - Total Governmental Funds (\$1,649,806)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$3,824,891	
Depreciation Expense	(4,750,791)	
		(925,900)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (79,065)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Taxes	\$979,457	
Delinquent Property Taxes	(54,450)	
Interest	(1,204)	
Intergovernmental	(201,953)	
Other	(135,446)	
		586,404

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,654,765

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 3,888

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 governmental funds.

Compensated Absences	(\$372,478)	
Amortization of Bond Premium	46,423	
Amortization of Deferred Charge on Refunding	(30,803)	
		(356,858)

The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

Change in Net Position - Internal Service Funds		440,166
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Change in Net Position of Governmental Activities		(\$326,406)
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See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-Type Activities -Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	
Current Assets:						
Equity in Pooled Cash and Investments	\$5,040,203	\$3,365,990	\$240,113	\$521,985	\$9,168,291	\$1,587,171
Restricted Cash	1,022,736	0	0	0	1,022,736	0
Receivables (Net):						
Accounts	519,352	744,286	284,278	0	1,547,916	0
Interest	1,462	648	0	0	2,110	0
Intergovernmental	62,708	0	0	0	62,708	0
Inventory	177,932	0	0	13,529	191,461	0
Total Current Assets	6,824,393	4,110,924	524,391	535,514	11,995,222	1,587,171
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	1,118,233	1,852,036	0	507,000	3,477,269	0
Depreciable Capital Assets, Net	15,681,655	22,264,992	0	2,906,181	40,852,828	0
Total Noncurrent Assets	16,799,888	24,117,028	0	3,413,181	44,330,097	0
Total Assets	23,624,281	28,227,952	524,391	3,948,695	56,325,319	1,587,171
Deferred Outflows of Resources:						
Deferred Charge on Refunding	0	0	0	34,712	34,712	0
Total Deferred Outflows of Resources	0	0	0	34,712	34,712	0
Liabilities:						
Current Liabilities:						
Accounts Payable	315,183	134,506	182,738	13,424	645,851	21,579
Accrued Wages and Benefits	81,885	91,079	0	30,157	203,121	26,571
Compensated Absences	96,525	92,213	0	45,093	233,831	12,294
Accrued Interest Payable	2,294	4,050	0	2,217	8,561	0
Due to Other Governments	0	53,305	0	0	53,305	0
Claims Payable	4,666	5,245	0	2,934	12,845	147,531
Other Liabilities	253,016	0	0	0	253,016	0
General Obligation Notes Payable	0	900,000	0	0	900,000	0
Long-Term Liabilities Due Within One Year	285,000	898,364	0	140,000	1,323,364	0
Total Current Liabilities	1,038,569	2,178,762	182,738	233,825	3,633,894	207,975
Long-Term Liabilities:						
Compensated Absences	92,683	199,119	0	62,245	354,047	86,564
Bonds, Notes & Loans Payable	604,434	1,766,807	0	861,523	3,232,764	0
Total Noncurrent Liabilities	697,117	1,965,926	0	923,768	3,586,811	86,564
Total Liabilities	1,735,686	4,144,688	182,738	1,157,593	7,220,705	294,539
Net Position:						
Net Investment in Capital Assets	15,910,454	20,551,857	0	2,411,658	38,873,969	0
Restricted for:						
Capital Projects	1,022,736	0	0	0	1,022,736	0
Unrestricted	4,955,405	3,531,407	341,653	414,156	9,242,621	1,292,632
Total Net Position	\$21,888,595	\$24,083,264	\$341,653	\$2,825,814	\$49,139,326	\$1,292,632

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	
Operating Revenues:						
Fines, Licenses & Permits	\$10,366	\$24,667	\$0	\$0	\$35,033	\$0
Charges for Services	4,815,077	5,943,757	2,165,612	1,831,891	14,756,337	5,439,052
Other Revenues	132,792	7,592	0	38,396	178,780	3,822
Total Operating Revenues	4,958,235	5,976,016	2,165,612	1,870,287	14,970,150	5,442,874
Operating Expenses:						
Personal Services	2,027,903	2,345,730	0	1,216,429	5,590,062	576,499
Contactual Services	1,317,983	1,118,850	2,173,408	513,733	5,123,974	4,287,382
Materials and Supplies	848,019	460,395	0	357,011	1,665,425	338,829
Depreciation	816,464	1,207,931	0	174,191	2,198,586	0
Total Operating Expenses	5,010,369	5,132,906	2,173,408	2,261,364	14,578,047	5,202,710
Operating Income (Loss)	(52,134)	843,110	(7,796)	(391,077)	392,103	240,164
Non-Operating Revenues (Expenses):						
Investment Earnings	17,274	6,581	0	689	24,544	2
Interest (Expense)	(33,268)	(139,458)	0	(15,186)	(187,912)	0
Gain on Disposal of Capital Assets	0	25,720	0	0	25,720	0
(Loss) on Disposal of Capital Assets	(1,019)	(96)	0	(3,672)	(4,787)	0
Operating Grants	62,708	0	25,340	0	88,048	0
Total Non-Operating Revenues (Expenses)	45,695	(107,253)	25,340	(18,169)	(54,387)	2
Income (Loss) Before Contributions and Transfers	(6,439)	735,857	17,544	(409,246)	337,716	240,166
Capital Grants and Contributions	900	0	0	0	900	0
Transfers In	0	0	0	295,000	295,000	200,000
Change in Net Position	(5,539)	735,857	17,544	(114,246)	633,616	440,166
Net Position - Beginning of Year	21,894,134	23,347,407	324,109	2,940,060	48,505,710	852,466
Net Position - End of Year	<u>\$21,888,595</u>	<u>\$24,083,264</u>	<u>\$341,653</u>	<u>\$2,825,814</u>	<u>\$49,139,326</u>	<u>\$1,292,632</u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds					Governmental
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	Activities- Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	\$4,964,499	\$5,964,892	\$2,165,339	\$1,870,287	\$14,965,017	\$5,442,874
Cash Payments to Employees	(2,062,450)	(2,273,330)	0	(1,195,014)	(5,530,794)	(579,525)
Cash Payments to Suppliers	(1,990,154)	(1,614,642)	(2,170,537)	(873,127)	(6,648,460)	(4,496,744)
Net Cash Provided (Used) by Operating Activities	911,895	2,076,920	(5,198)	(197,854)	2,785,763	366,605
Cash Flows from Noncapital Financing Activities:						
Operating Grants Received	900	0	25,340	0	26,240	0
Payments from Other Funds	0	0	0	295,000	295,000	200,000
Net Cash Provided (Used) by Noncapital Financing Activities	900	0	25,340	295,000	321,240	200,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(661,689)	(997,660)	0	(56,349)	(1,715,698)	0
Debt Proceeds	0	900,000	0	0	900,000	0
Debt Principal Payments	(280,000)	(1,963,167)	0	(145,000)	(2,388,167)	0
Debt Interest Payments	(38,813)	(140,266)	0	(17,546)	(196,625)	0
Proceeds on the Disposal of Capital Assets	0	25,720	0	0	25,720	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(980,502)	(2,175,373)	0	(218,895)	(3,374,770)	0
Cash Flows from Investing Activities:						
Earnings on Investments	18,386	6,572	0	376	25,334	2
Net Cash Provided (Used) by Cash Flows from Investing Activities	18,386	6,572	0	376	25,334	2
Net Increase (Decrease) in Cash and Cash Equivalents	(49,321)	(91,881)	20,142	(121,373)	(242,433)	566,607
Cash and Cash Equivalents - Beginning of Year	6,112,260	3,457,871	219,971	643,358	10,433,460	1,020,564
Cash and Cash Equivalents - End of Year	6,062,939	3,365,990	240,113	521,985	10,191,027	1,587,171
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	(52,134)	843,110	(7,796)	(391,077)	392,103	240,164
Adjustments:						
Depreciation	816,464	1,207,931	0	174,191	2,198,586	0
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	6,264	(11,124)	(273)	0	(5,133)	0
(Increase) Decrease in Inventory	7,565	0	0	(1,846)	5,719	0
(Increase) Decrease in Deposit Liabilities	0	(738)	0	0	(738)	0
Increase (Decrease) in Payables	166,898	(36,353)	2,871	(1,424)	131,992	129,132
Increase (Decrease) in Accrued Liabilities	(33,162)	74,094	0	22,302	63,234	(2,691)
Net Cash Provided (Used) by Operating Activities	\$911,895	\$2,076,920	(\$5,198)	(\$197,854)	\$2,785,763	\$366,605

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2014

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$302,834
Receivables (Net):	
Accounts	<u>214,770</u>
Total Assets	<u><u>517,604</u></u>
Liabilities:	
Accounts Payable	147,084
Deposit Liability	<u>370,520</u>
Total Liabilities	<u><u>\$517,604</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

The City of Fairfield, Ohio (the “City”) was incorporated in 1955 and operates as a Home Rule City in accordance with Article XVIII of the Ohio Constitution under a City Manager-Council form of government.

Reporting Entity

Among the activities and services as authorized by the City of Fairfield’s charter are public safety/municipal court, recreation, sanitation, health and social services, public improvements, planning and zoning, highway and streets and general administrative services. Each of these services is under direct control of the City Manager-Council form of government, which appropriates for and finances the operation of service. Each is, therefore, included as part of the financial reporting entity.

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 organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City participates in a joint venture called the West Chester Township Joint Economic Development District (JEDD). This joint venture is presented in Note 17.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most 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 fiduciary funds. The services provided and used of the internal service fund are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

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 business segment or governmental function is self-financing or draws from the general revenues of the City.

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. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. The City's only fiduciary funds are agency funds.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred outflows/inflows associated with the operation of the City are included on the Statement of 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 and deferred inflows of resources 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 include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, liabilities and deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

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.

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: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions 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 purposes 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 deferred outflows and liabilities and deferred inflows are reported as fund balance. The following are the City's major governmental funds:

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

Fire Levy Special Revenue Fund – This special revenue fund accounts for expenditures of property tax revenues and other resources in the operation of the City's Fire Department.

Street Improvement Capital Projects Fund - This capital projects fund accounts for the construction and repair of the City's streets. Financing has been derived from 0.15% of the City's income tax.

The other governmental funds of the City account for grants and other resources that are generally restricted to use for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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 Utility Fund - The water fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Sewer Utility Fund - The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Solid Waste Management Fund - This fund accounts for the waste collection operations.

Recreation Facilities Fund – This fund accounts for operations of the City’s golf course, swimming pool and other recreational facilities, revenues from which come from customers, based on a rate authorized by the Parks Commission.

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 self-insured health care operations (Employees’ Benefits) and for the cost of maintaining the City’s equipment and automotive fleet (Municipal Garage).

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. The City’s agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City’s three agency funds are Warranty Bonds (used to account for warranty bonds collected), Municipal Court (used to account for funds collected by the court until such time as the funds can be distributed to individuals, private organizations, other governmental units and/or other funds) and Joint Economic Development District (used to account for various economic development projects). Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City currently has no trust funds.

Basis of Accounting

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty days of year-end.

City of Fairfield, Ohio
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Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. 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 a modified accrual basis, revenue from nonexchange 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: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants and fees.

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, represents 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 deferral on refunding reported in the government-wide statement of net position and the proprietary statement of net position. A deferral 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 statements of financial position report 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, grants and other taxes, special assessments, investment revenue, and accounts revenues. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Equity in Pooled Cash and Investments

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

For purposes of the statement of cash flows and for presentation on the statement of net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during the fiscal year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for at fiscal year end.

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2014 amounted to \$76,227 in the general fund, \$25 in the fire levy fund, \$11,839 in the street improvement fund and \$54,080 in other governmental funds.

Inventory

Inventories of proprietary funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventories of the proprietary funds are expensed when used.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the 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 fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; 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 not. The City will capitalize capital assets with a cost of \$1,000 or more, depending on the Asset Class.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

All reported capital assets are depreciated except for land and construction in progress. 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 replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-50 years
Equipment	5-10 years
Infrastructure	10-50 years

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. Compensated absences are reported in governmental funds only if they have matured. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
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Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – spendable resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – spendable resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, City Council. This is done by ordinance by City Council.

Assigned – resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the Finance Director.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts, which had been restricted, committed or assigned for said purposes.

The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Restricted Assets

Restricted assets consist of resources whose use is restricted by bond covenant agreements.

Net Position

Net position represents the difference between assets, and deferred outflows of resources, and liabilities and deferred inflows of resources. Net Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their 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. Of the City's \$17,311,322 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2014

capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 nonoperating 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.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Gain/Loss on Refunding

On the government-wide and proprietary financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt (the gain/loss on refunding) is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method.

Estimates

The preparation of the 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 – Equity in Pooled Cash and Investments

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAROhio).
- (7) Commercial paper and banker's acceptances, which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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. An investment must mature within five years

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2014, \$13,052,787 of the City's bank balance of \$18,802,823 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of December 31, 2014, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$5,346,330	1.91
Federal Home Loan Mortgage Corporation	3,496,555	2.03
Federal Farm Credit Bank	2,746,368	1.06
Federal National Mortgage Association	1,989,640	2.85
STAROhio	9,000,000	0.14
Total Fair Value	\$22,578,893	
Portfolio Weighted Average Maturity		1.21

Interest Rate Risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years, unless matched to a specified obligation or debt of the City.

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal Farm Credit Bank were rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. Investments in

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

STAROhio were rated AAAM by Standard & Poors. Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 23% in Federal Home Loan Bank, 9% in Federal National Mortgage Association, 16% in Federal Home Loan Mortgage Corporation, 12% in Federal Farm Credit Bank and 40% in STAROhio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City.

Note 4 – Receivables

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, accrued interest on investments, and accounts receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real estate and public utility. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The assessed values of real and tangible personal property upon which current year property tax receipts were based are as follows:

Real Property	\$914,754,880
Public Utility	<u>34,544,460</u>
Total Valuation	<u><u>\$949,299,340</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

The City receives property taxes from Butler County. The County Treasurer collects property taxes on

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2014

behalf of all taxing districts in the counties. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies a 1.5% income tax on substantially all income earned within the City. If an individual pays income taxes to another municipality, a credit of up to one-half percent is allowed. Additional increases in the income tax rate require voter approval.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

Note 5 – Risk Management

Description

The City carries insurance to cover general liability risks, fire protection, police professional liability, automotive fleet and errors and omissions for public officials. The City has established an Employees Benefit Fund to account for the cost of the City's self-insured dental care claims and the payment of insurance premiums for medical benefits and worker's compensation. A third party administrator who furnishes claims review and processing administers the program. City Funds are charged a premium based on the number of employees participating in the Dental and Health Benefits Plan. The "premium" payments are accounted for as an expenditure in the paying fund and as a revenue in an internal service fund.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Claim Liabilities

Beginning August 1, 2014, the City began to provide employee health insurance benefits through a self-insured program.

The City records an estimated liability for dental, health and worker's compensation claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported on historical experience. All claims payable are expected to be paid off in one year.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Unpaid Claim Liabilities

The following figures represent the changes in dental, health and worker's compensation claims liabilities for the City from January 1, 2013 to December 31, 2014:

<u>Dental</u>	
Claims Liability, 1/1/2013	\$4,329
Claims net of changes in estimates	256,317
Payments	<u>(247,675)</u>
Claims Liability, 12/31/2013	12,971
Claims net of changes in estimates	259,951
Payments	<u>(259,090)</u>
Claims Liability, 12/31/2014	<u><u>\$13,832</u></u>
<u>Health</u>	
Claims Liability, 12/31/2013	\$0
Claims net of changes in estimates	1,033,900
Payments	<u>(901,471)</u>
Claims Liability, 12/31/2014	<u><u>\$132,429</u></u>
<u>Worker's Compensation</u>	
Claims Liability, 1/1/2013	\$0
Claims net of changes in estimates	115,775
Payments	<u>(22,574)</u>
Claims Liability, 12/31/2013	\$93,201
Claims net of changes in estimates	269,985
Payments	<u>(295,215)</u>
Claims Liability, 12/31/2014	<u><u>\$67,971</u></u>

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Note 6 – Capital Assets

Capital asset activity for the current year end was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$17,658,421	\$906,698	\$0	\$18,565,119
Construction in Progress	6,478,653	2,192,581	6,454,425	2,216,809
Capital Assets, being depreciated:				
Buildings and Improvements	47,512,653	378,454	0	47,891,107
Equipment	16,680,091	1,243,551	1,056,290	16,867,352
Infrastructure	91,685,449	5,558,032	0	97,243,481
Totals at Historical Cost	<u>180,015,267</u>	<u>10,279,316</u>	<u>7,510,715</u>	<u>182,783,868</u>
Less Accumulated Depreciation:				
Buildings and Improvements	21,031,520	1,408,832	0	22,440,352
Equipment	13,120,629	996,699	977,225	13,140,103
Infrastructure	55,212,005	2,345,260	0	57,557,265
Total Accumulated Depreciation	<u>89,364,154</u>	<u>4,750,791</u>	<u>977,225</u>	<u>93,137,720</u>
Governmental Activities Capital Assets, Net	<u>\$90,651,113</u>	<u>\$5,528,525</u>	<u>\$6,533,490</u>	<u>\$89,646,148</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$1,641,949	\$0	\$0	\$1,641,949
Construction in Progress	867,286	1,070,181	102,147	1,835,320
Capital Assets, being depreciated:				
Buildings and Improvements	47,730,577	51,261	0	47,781,838
Equipment	4,560,029	448,913	326,547	4,682,395
Infrastructure	33,632,746	247,490	0	33,880,236
Totals at Historical Cost	<u>88,432,587</u>	<u>1,817,845</u>	<u>428,694</u>	<u>89,821,738</u>
Less Accumulated Depreciation:				
Buildings and Improvements	23,983,326	968,917	0	24,952,243
Equipment	3,117,869	377,020	321,760	3,173,129
Infrastructure	16,513,620	852,649	0	17,366,269
Total Accumulated Depreciation	<u>43,614,815</u>	<u>2,198,586</u>	<u>321,760</u>	<u>45,491,641</u>
Business-Type Activities Capital Assets, Net	<u>\$44,817,772</u>	<u>(\$380,741)</u>	<u>\$106,934</u>	<u>\$44,330,097</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Depreciation expense was charged to governmental functions as follows:

General Government	\$378,742
Public Safety	846,261
Leisure Time Activities	738,369
Community Development	6,704
Transportation	<u>2,780,715</u>
Total Depreciation Expense	<u>\$4,750,791</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

Vacation is accumulated based upon length of service at rates from 3.1 hours to 7.7 hours bi-weekly (80 hours) pay period for full time City employees. Vacation accumulation may not exceed three years. Any excess is eliminated from the employee's accumulated balance. In the case of death, termination, or retirement an employee (or his estate) is paid for his unused vacation to a maximum of the three year accrual.

Accumulated Unpaid Sick Leave

All full time City employees (except for police and fire) are credited with 96 sick hours at the beginning of each year. Sick leave accumulation may not exceed 960 hours. An excess over the 960 maximum is paid to the employee. In the case of death, termination, or retirement of an employee, depending on length of service with the City, is paid for his unused sick leave up to a maximum of 960 hours.

Police employees are credited with 102 sick hours at the beginning of each year. Sick leave accumulation may not exceed 1,020 hours. An excess over the 1,020 maximum is paid to the police employee. In the case of death, termination, or retirement of a police employee, depending on length of service with the City, is paid for his unused sick leave up to a maximum of 1,020 hours.

Fire employees are credited with 130 sick hours at the beginning of each year. Sick leave accumulation may not exceed 1,300 hours. An excess over the 1,300 maximum is paid to the fire employee. In the case of death, termination, or retirement of a fire employee, depending on length of service with the City, is paid for his unused sick leave up to a maximum of 1,300 hours.

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Note 8 – Notes Payable

A summary of the note transactions for the current year end are as follows:

		Beginning Balance	Issued	Retired	Ending Balance
Street Improvement Fund:					
Exit 39 Winton / Gilmore	1.00%	\$1,250,000	\$0	(\$1,250,000)	\$0
Various Purpose Series	1.00%	\$0	\$750,000	\$0	750,000
Sewer Utility Fund:					
Sewer Expansion	1.00%	1,100,000	0	(1,100,000)	0
Various Purpose Series	1.00%	0	900,000	0	900,000
Total Notes Payable		<u>\$2,350,000</u>	<u>\$1,650,000</u>	<u>(\$2,350,000)</u>	<u>\$1,650,000</u>

In 2014 the City issued a combined \$1.65 million in short-term bond anticipation notes for the purpose of financing the City's cost of construction improvements to the Winton Road Interchange Project, \$750,000, and for improvements to the City's wastewater system, \$900,000. The City's intent is to issue this bond anticipation note for a term of one year, which is the maximum allowed for short-term debt.

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund, which received the proceeds.

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Note 9 – Long-Term Debt

A schedule of changes in bonds and other long-term obligations of the City during the current year as follows:

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
<u>General Obligation Bonds</u>						
2012 Various Purpose Refunding	3.66%	1,110,000	0	(350,000)	760,000	370,000
2012 Community Arts Center	4.50%	4,290,000	0	(380,000)	3,910,000	385,000
2009 Various Purpose Refunding Premium/Discount	3.23%	1,480,000 377,762	0	(270,000) (46,423)	1,210,000 331,339	285,000 0
2009 Various Purpose Golf and Justice Center	3.56%	5,160,000	0	(240,000)	4,920,000	245,000
2010 A Roadway Improvement	4.64%	6,000,000	0	0	6,000,000	0
2010 B Roadway Improvement	3.74%	1,230,000	0	0	1,230,000	0
2010 C Roadway Improvement	2.00%	780,000	0	(385,000)	395,000	395,000
Total General Obligation Bonds		<u>20,427,762</u>	<u>0</u>	<u>(1,671,423)</u>	<u>18,756,339</u>	<u>1,680,000</u>
Capital Lease Payable: Phone Equipment Lease	5.31%	<u>29,765</u>	<u>0</u>	<u>(29,765)</u>	<u>0</u>	<u>0</u>
Total Long-Term Liabilities		<u>20,457,527</u>	<u>0</u>	<u>(1,701,188)</u>	<u>18,756,339</u>	<u>1,680,000</u>
Compensated Absences		<u>4,272,574</u>	<u>1,527,849</u>	<u>(1,053,268)</u>	<u>4,747,155</u>	<u>1,239,556</u>
Total Governmental Activities		<u>\$24,730,101</u>	<u>\$1,527,849</u>	<u>(\$2,754,456)</u>	<u>\$23,503,494</u>	<u>\$2,919,556</u>
		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities						
<u>Loans</u>						
OWDA Wastewater Improvement Bond	3.79-4.12%	<u>\$3,528,338</u>	<u>\$0</u>	<u>(\$863,167)</u>	<u>\$2,665,171</u>	<u>\$898,364</u>
<u>General Obligation Bonds</u>						
2012 Various Purpose Recreation - Refunding	3.66%	1,095,000	0	(145,000)	950,000	140,000
Premium on 2012 Refunding Bonds		58,884	0	(7,361)	51,523	0
2009 Various Purpose Water - Refunding	3.15%	1,155,000	0	(280,000)	875,000	285,000
Premium on Refunding Bonds		19,245	0	(4,811)	14,434	0
Total General Obligation Bonds		<u>2,328,129</u>	<u>0</u>	<u>(437,172)</u>	<u>1,890,957</u>	<u>425,000</u>
Compensated Absences		<u>487,611</u>	<u>297,257</u>	<u>(196,990)</u>	<u>587,878</u>	<u>233,831</u>
Total Business-Type Activities		<u>\$6,344,078</u>	<u>\$297,257</u>	<u>(\$1,497,329)</u>	<u>\$5,144,006</u>	<u>\$1,557,195</u>

The City's bonds and loan will be paid from the General Bond Retirement Fund, Water Utility Fund, Sewer Utility Fund and Recreation Facilities Fund. The City's capital lease will be paid from the General Fund. Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund, or an Enterprise Fund.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Principal and interest requirements to retire the City’s long-term obligations outstanding at year end are as follows:

Year Ending December 31	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2015	\$2,105,000	\$834,223	\$898,364	\$98,354
2016	2,170,000	774,038	934,996	61,722
2017	1,820,000	704,271	612,730	23,596
2018	1,565,000	634,727	175,970	5,923
2019	1,275,000	578,067	43,113	817
2020-2024	6,070,000	2,121,011	0	0
2025-2029	4,650,000	936,282	0	0
2030	595,000	36,235	0	0
Total	<u>\$20,250,000</u>	<u>\$6,618,854</u>	<u>\$2,665,173</u>	<u>\$190,412</u>

Note 10 – Defeasance of Bonds

Special Assessment Bonds

The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 2014 was \$124,011. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

Note 11 – Pension Plans

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2014, 2013 and 2012 were \$1,758,000, \$1,727,849, and \$1,763,709 respectively. The full amount has been contributed for 2014, 2013 and 2012. The City's unpaid contractually required OPERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures. In 2014, there were no unpaid contractually required OPERS contributions to record in accrued wages and benefits.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

From Jan. 1, 2014 thru July 1, 2014, plan members were required to contribute 10% (as in prior years) of their annual covered salary. From July 2, 2014 thru Dec. 31, 2014, plan members were required to contribute 10.75% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 were \$939,279 (police) and \$560,582 (fire), \$924,823 (police) and \$537,065 (fire), and \$943,635 (police) and \$557,522 (fire), respectively. In 2014, there were no unpaid contractually required OP&F contributions to record in accrued wages and benefits. The full amount has been contributed for 2014, 2013 and 2012. The City's unpaid contractually required OP&F contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 12 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0% during calendar year 2014. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2014. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$260,176 for 2014, \$122,944 for 2013; and \$486,615 for 2012. The full amount has been contributed for 2013, 2012 and 2011.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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 healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 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 healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

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% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for 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 IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

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 Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employee contributions allocated to health care was 4.69% of covered payroll for January 1, 2014 through May 31, 2014, and 2.85% of covered payroll from June 1, 2014 through December 31, 2014. The amount of employer contributions allocated to the healthcare 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 also is authorized to establish requirements for contributions to the healthcare 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.

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2014 were \$25,320 (police) and \$12,176 (fire); for the year ending December 31, 2013 were \$210,422 (police) and \$100,155 (fire); and for the year ending December 31, 2012 were \$318,100 (police) and \$152,277 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2014, 2013 and 2012 were 100%.

Note 13 – Construction Commitments

The City had the following outstanding commitments at year end:

<u>Project</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
Seward Road Pump Station	\$35,800	\$371,675
Ross Road/Kenn Road Improvements	0	190,275
Biosolids Storage Building	56,290	159,714
Winton/Ross/Seward Improvements	1,419,546	101,381
Rt. 4/Gilmore Road Intersection	145,877	58,476
2014 Sidewalk/Apron Replacement	348,915	56,758
Total	<u>\$2,006,428</u>	<u>\$938,279</u>

Note 14 – Contingent Liabilities

Litigation

The City management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2014, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

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 15 – Interfund Activity

Interfund receivable and payables and transfers in and out for the year ended December 31, 2014, consisted of the following:

	Interfund		Transfers	
	Receivable	Payable	In	Out
Major Funds:				
General	\$627,905	\$0	\$0	\$3,275,000
Street Improvement	0	0	1,250,000	1,689,859
Fire Levy	0	0	450,000	0
Other enterprise Facilities	0	0	295,000	0
Internal Service	0	0	200,000	0
Other Governmental Funds	0	627,905	4,831,244	2,061,385
Totals	<u>\$627,905</u>	<u>\$627,905</u>	<u>\$7,026,244</u>	<u>\$7,026,244</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

The General Fund had an interfund receivable at year-end because the general fund covered the negative balances in the grant funds that did not receive reimbursement by year-end.

The City made various GAAP transfers from the Other Governmental Funds (Capital Improvement Fund and Debt Service Fund) and the Street Improvement Fund to the Debt Service Fund, the Street Improvement Fund and Recreational Facilities Fund to pay for debt service transactions.

Note 16 – Joint Venture

West Chester Township, the City of Fairfield, and the City of Springdale contracted to create the West Chester Township Joint Economic Development District (JEDD) for the purpose of facilitating economic development to create jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio and in the area of the contracting parties through facilitating economic development. The district is comprised of 43 acres located at the northwest corner of Union Centre Boulevard and Cincinnati-Dayton Road in West Chester. For more information and a copy of the financial statements, contact the City of Fairfield.

A 1.0% income tax was enacted for the JEDD. Imposition of tax began on September 15, 2010 and terminates December 31, 2049, with three five year extensions.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

The City financial contributions to the JEDD will assist in facilitating the economic development within the District by assisting with marketing of the District. As of December 31, 2014, there was a deficiency in the amount of \$191,114 between the City's capital contributions and Fairfield's position of distributable revenue. This amount is reported as a receivable in the financial statements.

Distribution of Gross Tax:

5% Service Fee for City of Fairfield to collect the income
2% Escrow payment for refunds
93% Net distribution

Net Distribution:

83% West Chester Township
7% City of Springdale
10% City of Fairfield

Note 17 – Compliance and Accountability

Compliance

Noncompliance – Appropriations in Excess of Estimated Resources.

Ohio Revised Code Section 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources during the year for the Fire Levy Fund at December 31, 2014.

Accountability

The following individual funds had deficit fund balances at year end:

Fire Levy	\$223,459
State Issue I	123,529

The deficits in fund balances were primarily due to accrual in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2014

Note 18 – Fund Balances

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 the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Fire Levy</u>	<u>Street Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:					
Street Improvements	\$0	\$0	\$4,244,997	\$733,354	\$4,978,351
Probation Services	0	0	0	2,745,445	2,745,445
Court Computer	0	0	0	883,313	883,313
Special Projects	0	0	0	520,186	520,186
Mediation Services	0	0	0	501,214	501,214
Tax Recreation	0	0	0	210,660	210,660
Law Enforcement	0	0	0	340,485	340,485
Drug and Alcohol Treatment	0	0	0	155,145	155,145
Capital Improvements	0	0	0	2,080,746	2,080,746
TIF Monies	0	0	0	22,427	22,427
Debt Service	0	0	0	1,615,879	1,615,879
Other Purposes	0	0	0	577,961	577,961
Total Restricted	0	0	4,244,997	10,386,815	14,631,812
Assigned to:					
Debt Service	0	0	0	33,815	33,815
Downtown Development	0	0	0	152,999	152,999
Encumbrances	137,530	0	0	0	137,530
Budgetary Resources	1,138,878	0	0	0	1,138,878
Total Assigned	1,276,408	0	0	186,814	1,463,222
Unassigned (Deficit)	13,107,411	(223,459)	0	(123,529)	12,760,423
Total Fund Balance	\$14,383,819	(\$223,459)	\$4,244,997	\$10,450,100	\$28,855,457

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REQUIRED SUPPLEMENTARY INFORMATION

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$20,671,344	\$20,671,344	\$23,223,311	\$2,551,967
Licenses & Permits	186,750	186,750	282,302	95,552
Intergovernmental	1,234,087	1,234,087	1,363,040	128,953
Charges for Services	976,203	976,203	1,062,631	86,428
Court Costs & Fines	1,116,500	1,116,500	929,018	(187,482)
Special Assessments	17,000	17,000	34,734	17,734
Investment Earnings	75,000	75,000	69,814	(5,186)
Other Revenues	1,192,000	1,192,000	887,019	(304,981)
Total Revenues	25,468,884	25,468,884	27,851,869	2,382,985
Expenditures:				
Current:				
<u>General Government</u>				
City Council				
Personnel Related	223,529	223,529	215,743	7,786
Other	23,330	23,330	9,613	13,717
Total City Council	246,859	246,859	225,356	21,503
Mayor				
Personnel Related	11,324	11,324	11,234	90
Other	4,390	4,390	2,452	1,938
Total Mayor	15,714	15,714	13,686	2,028
Administration				
Personnel Related	511,936	569,810	562,424	7,386
Other	23,760	23,756	21,514	2,242
Total Administration	535,696	593,566	583,938	9,628
General Services				
Personnel Related	52,889	52,889	40,967	11,922
Other	3,238,283	6,261,551	5,770,447	491,104
Total General Services	3,291,172	6,314,440	5,811,414	503,026
Law				
Personnel Related	500	500	209	291
Other	514,050	514,050	514,033	17
Total Law	514,550	514,550	514,242	308
Human Resources				
Personnel Related	206,980	213,603	209,694	3,909
Other	58,186	56,553	39,383	17,170
Total Human Resources	265,166	270,156	249,077	21,079
Finance Administration & Accounting				
Personnel Related	618,477	642,376	635,880	6,496
Other	28,030	28,030	27,147	883
Total Finance Administration & Accounting	646,507	670,406	663,027	7,379
Income Tax				
Personnel Related	545,273	546,654	522,860	23,794
Other	95,774	93,558	78,187	15,371
Total Income Tax	641,047	640,212	601,047	39,165

Continued

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	485,655	485,655	455,138	30,517
Other	49,092	48,980	46,255	2,725
Total Information Technology	534,747	534,635	501,393	33,242
Municipal Court				
Personnel Related	1,401,707	1,413,125	1,275,095	138,030
Other	270,508	270,508	178,316	92,192
Total Municipal Court	1,672,215	1,683,633	1,453,411	230,222
Public Works Administration				
Personnel Related	158,951	168,686	164,646	4,040
Other	27,475	27,475	15,723	11,752
Total Public Works Administration	186,426	196,161	180,369	15,792
Construction Services				
Personnel Related	517,399	527,773	518,940	8,833
Other	123,396	123,374	113,199	10,175
Total Construction Services	640,795	651,147	632,139	19,008
Municipal Building				
Personnel Related	74,465	101,200	95,391	5,809
Other	182,322	187,355	158,539	28,816
Total Municipal Building	256,787	288,555	253,930	34,625
Total General Government	9,447,681	12,620,034	11,683,029	937,005
<u>Public Safety</u>				
Police				
Personnel Related	9,456,506	9,501,199	9,102,566	398,633
Other	743,085	742,553	661,335	81,218
Total Police	10,199,591	10,243,752	9,763,901	479,851
Justice Center				
Personnel Related	64,273	64,273	41,686	22,587
Other	860,641	852,046	800,861	51,185
Total Justice Center	924,914	916,319	842,547	73,772
Total Public Safety	11,124,505	11,160,071	10,606,448	553,623
<u>Community Development</u>				
Planning & Economic Development				
Personnel Related	584,231	609,270	602,184	7,086
Other	42,219	46,033	36,174	9,859
Total Planning & Economic Development	626,450	655,303	638,358	16,945
Building & Zoning Inspection				
Personnel Related	708,147	735,336	726,716	8,620
Other	90,646	90,646	66,460	24,186
Total Building & Zoning Inspection	798,793	825,982	793,176	32,806
Total Community Development	1,425,243	1,481,285	1,431,534	49,751

Continued

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Leisure Time Activities</u>				
Parks & Recreation Administration				
Personnel Related	760,762	798,581	785,099	13,482
Other	137,972	137,738	127,198	10,540
Total Parks & Recreation Administration	898,734	936,319	912,297	24,022
Parks Maintenance Operations				
Personnel Related	598,679	634,401	614,116	20,285
Other	343,406	343,406	324,289	19,117
Total Parks Maintenance Operations	942,085	977,807	938,405	39,402
Marsh Park Fishing Lake				
Personnel Related	53,078	54,078	51,739	2,339
Other	55,650	55,650	36,857	18,793
Total Marsh Park Fishing Lake	108,728	109,728	88,596	21,132
Community Arts Center				
Personnel Related	228,864	228,864	224,909	3,955
Other	497,263	494,068	471,952	22,116
Total Community Arts Center	726,127	722,932	696,861	26,071
Total Leisure Time Activities	2,675,674	2,746,786	2,636,159	110,627
Capital Outlay	15,050	15,050	15,050	0
Total Expenditures	24,688,153	28,023,226	26,372,220	1,651,006
Excess of Revenues Over (Under) Expenditures	780,731	(2,554,342)	1,479,649	4,033,991
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	17,673	7,673
Transfers (Out)	(1,475,000)	(3,275,000)	(3,275,000)	0
Total Other Financing Sources (Uses)	(1,465,000)	(3,265,000)	(3,257,327)	7,673
Net Change in Fund Balance	(684,269)	(5,819,342)	(1,777,678)	4,041,664
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,838,918	14,838,918	14,838,918	0
Fund Balance End of Year	\$14,154,649	\$9,019,576	\$13,061,240	\$4,041,664

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,113,277	\$3,113,277	\$3,630,039	\$516,762
Licenses & Permits	6,000	6,000	6,125	125
Intergovernmental	383,000	383,000	378,724	(4,276)
Charges for Services	1,205,000	1,205,000	1,129,572	(75,428)
Investment Earnings	100	100	25	(75)
Other Revenues	4,500	4,500	53,397	48,897
Total Revenues	4,711,877	4,711,877	5,197,882	486,005
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	4,609,532	5,074,532	5,030,378	44,154
Other	588,338	631,878	602,446	29,432
Total Fire Suppression	5,197,870	5,706,410	5,632,824	73,586
Paramedic Prevention				
Other	355,201	315,630	229,638	85,992
Total Fire Suppression	355,201	315,630	229,638	85,992
Total Expenditures	5,553,071	6,022,040	5,862,462	159,578
Excess of Revenues Over (Under) Expenditures	(841,194)	(1,310,163)	(664,580)	645,583
Other Financing Sources (uses):				
Transfers In	350,000	550,000	450,000	(100,000)
Total Other Financing Sources (Uses)	350,000	550,000	450,000	(100,000)
Net Change in Fund Balance	(491,194)	(760,163)	(214,580)	545,583
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	205,503	205,503	205,503	0
Fund Balance End of Year	(\$285,691)	(\$554,660)	(\$9,077)	\$545,583

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2014

Note 1 – Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 resolution 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 control has been established by Council at the department and object level for all funds. The Finance Director, with the approval of the City Manager and respective Department Heads, has been authorized to allocate appropriations to the function and object level within each fund. Council must approve any revisions that alter total fund appropriations.

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 final amended certificate of estimated resources issued during the year.

The appropriation resolution 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 appropriation resolution 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.

While the City is 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and fire levy fund 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 GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2014

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and fire levy fund.

Net Change in Fund Balance

	<u>General</u>	<u>Fire Levy</u>
GAAP Basis	(\$1,210,760)	(\$110,959)
Revenue Accruals	3,331,350	1,610
Expenditure Accruals	(3,471,471)	(32,541)
Encumbrances	<u>(426,797)</u>	<u>(72,690)</u>
Budget Basis	<u>(\$1,777,678)</u>	<u>(\$214,580)</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUND

Street Improvement Fund - This capital projects fund accounts for the construction and repair of the City's streets. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$2,372,100	\$2,372,100	\$2,653,219	\$281,119
Intergovernmental	206,000	206,000	396,473	190,473
Investment Earnings	55,000	55,000	11,863	(43,137)
Total Revenues	2,633,100	2,633,100	3,061,555	428,455
Expenditures:				
Capital Outlay	1,290,465	3,212,773	3,166,308	46,465
Total Expenditures	1,290,465	3,212,773	3,166,308	46,465
Excess of Revenues Over (Under) Expenditures	1,342,635	(579,673)	(104,753)	474,920
Other Financing Sources (uses):				
Transfers In	0	750,000	750,000	0
Transfers (Out)	(1,695,000)	(1,695,000)	(1,689,859)	5,141
Total Other Financing Sources (Uses)	(1,695,000)	(945,000)	(939,859)	5,141
Net Change in Fund Balance	(352,365)	(1,524,673)	(1,044,612)	480,061
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,559,499	5,559,499	5,559,499	0
Fund Balance End of Year	\$5,207,134	\$4,034,826	\$4,514,887	\$480,061

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$6,634,778	\$1,649,694	\$2,212,616	\$10,497,088
Receivables (Net):				
Taxes	0	0	641,804	641,804
Interest	1,750	0	948	2,698
Intergovernmental	990,209	585,341	627,905	2,203,455
Total Assets	7,626,737	2,235,035	3,483,273	13,345,045
Liabilities:				
Accounts Payable	44,194	0	189,656	233,850
Accrued Wages and Benefits	94,090	0	0	94,090
Interfund Payable	0	0	627,905	627,905
Claims Payable	5,326	0	0	5,326
Total Liabilities	143,610	0	817,561	961,171
Deferred Inflows of Resources:				
Income Taxes	0	0	424,816	424,816
Grants and Other Taxes	797,817	585,341	123,529	1,506,687
Investment Earnings	1,750	0	521	2,271
Total Deferred Inflows of Resources	799,567	585,341	548,866	1,933,774
Fund Balances:				
Restricted	6,683,560	1,615,879	2,087,376	10,386,815
Assigned	0	33,815	152,999	186,814
Unassigned	0	0	(123,529)	(123,529)
Total Fund Balances	6,683,560	1,649,694	2,116,846	10,450,100
Total Liabilities, Deferred Inflows and Fund Balances	\$7,626,737	\$2,235,035	\$3,483,273	\$13,345,045

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$0	\$2,329,342	\$2,329,342
Investment Earnings	8,456	33,239	12,385	54,080
Intergovernmental	2,369,591	0	931,549	3,301,140
Special Assessments	1,069	22,247	0	23,316
Fines, Licenses & Permits	641,946	0	0	641,946
Other Revenues	42,340	0	2,925	45,265
Total Revenues	3,063,402	55,486	3,276,201	6,395,089
Expenditures:				
Current:				
General Government	452,826	10,927	0	463,753
Public Safety	12,866	0	0	12,866
Transportation and Street Repair	3,248,517	211,382	970,896	4,430,795
Capital Outlay	65,390	0	2,415,881	2,481,271
Debt Service:				
Principal	0	1,625,000	0	1,625,000
Interest and Other Charges	0	835,041	0	835,041
Total Expenditures	3,779,599	2,682,350	3,386,777	9,848,726
Excess of Revenues Over (Under) Expenditures	(716,197)	(2,626,864)	(110,576)	(3,453,637)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	56,237	56,237
Transfers In	925,000	3,106,244	800,000	4,831,244
Transfers (Out)	0	(645,000)	(1,416,385)	(2,061,385)
Total Other Financing Sources (Uses)	925,000	2,461,244	(560,148)	2,826,096
Net Change in Fund Balance	208,803	(165,620)	(670,724)	(627,541)
Fund Balance - Beginning of Year	6,474,757	1,815,314	2,787,570	11,077,641
Fund Balance - End of Year	\$6,683,560	\$1,649,694	\$2,116,846	\$10,450,100

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Street Construction, Maintenance and Repair - To account for 92.5% of the City's share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on street construction and maintenance.

State Highway Improvement - To account for the remaining 7.5% of the City's share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on state highways construction and improvements.

County Motor Vehicle Registration - To account for the City's share of motor vehicle registration fees. State law requires that such monies be spent on street construction and maintenance of certain specified roads.

Tax Recreation - To account for monies received from residential building permits specifically collected for the purpose of providing funds for recreational activities and facilities.

Law Enforcement - To account for monies received from the proceeds of the City's law enforcement activities, which participate with federal agencies in the arrest, and seizure of assets.

Municipal Motor Vehicle Registration - To account for the City's share of motor vehicle registration fees authorized by the City. State law requires that such monies be spent on street construction, operation and maintenance of City roads.

Law Enforcement and Education - To account for monies received from court fines imposed for drivers convicted of driving under the influence of drugs and alcohol. Monies generated under this fund shall be used for enforcement and education of the public of such dangers.

Drug and Alcohol Treatment - To account for monies received from court fines imposed for drivers convicted of driving under the influence of drugs and alcohol. Monies generated under this fund shall be used for treatment of chemically dependent drivers.

Local Law Enforcement - To account for monies received from the federal government under the Community Development Block Grant program for the renovation of public facilities.

Probation Services - To account for monies received from court fines. Monies generated under this fund shall be used for probation services provided by the Court.

Court Computer - To account for monies received from court fines. Monies generated under this fund shall be used for computer related expenses of the Court.

Special Projects - To account for monies received from court fines. Monies generated under this fund shall be used for special projects of the Court system.

Mediation Services - To account for monies received from court fines. Monies generated under this fund shall be used for mediation services of the Court system.

Tax Increment Equivalent - To account for the recording of revenues and expenditures related to the tax increment financing project with the Cincinnati Mills Mall.

Indigent Driver Interlock - To account for monies collected from court fines. Monies generated under this fund shall be used for electronic monitoring devices for indigent offenders in conjunction with treatment programs.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$616,056	\$50,412	\$239,230	\$210,660	\$141,065
Receivables (Net):					
Interest	0	0	0	0	0
Intergovernmental	757,229	61,399	0	0	0
Total Assets	1,373,285	111,811	239,230	210,660	141,065
Liabilities:					
Accounts Payable	30,518	0	5,772	0	0
Accrued Wages and Benefits	55,187	7,413	0	0	0
Claims Payable	4,544	0	0	0	0
Total Liabilities	90,249	7,413	5,772	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	605,023	49,057	0	0	0
Investment Earnings	0	0	0	0	0
Total Deferred Inflows of Resources	605,023	49,057	0	0	0
Fund Balances:					
Restricted	678,013	55,341	233,458	210,660	141,065
Total Fund Balances	678,013	55,341	233,458	210,660	141,065
Total Liabilities, Deferred Inflows and Fund Balances	\$1,373,285	\$111,811	\$239,230	\$210,660	\$141,065

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$136,357	\$153,229	\$156,072	\$46,191	\$2,763,849	\$890,019	\$522,147
0	0	0	0	1,750	0	0
167,639	0	0	3,942	0	0	0
<u>303,996</u>	<u>153,229</u>	<u>156,072</u>	<u>50,133</u>	<u>2,765,599</u>	<u>890,019</u>	<u>522,147</u>
0	0	927	0	271	6,706	0
12,178	0	0	0	17,474	0	1,838
0	0	0	0	659	0	123
<u>12,178</u>	<u>0</u>	<u>927</u>	<u>0</u>	<u>18,404</u>	<u>6,706</u>	<u>1,961</u>
139,795	0	0	3,942	0	0	0
0	0	0	0	1,750	0	0
<u>139,795</u>	<u>0</u>	<u>0</u>	<u>3,942</u>	<u>1,750</u>	<u>0</u>	<u>0</u>
<u>152,023</u>	<u>153,229</u>	<u>155,145</u>	<u>46,191</u>	<u>2,745,445</u>	<u>883,313</u>	<u>520,186</u>
<u>152,023</u>	<u>153,229</u>	<u>155,145</u>	<u>46,191</u>	<u>2,745,445</u>	<u>883,313</u>	<u>520,186</u>
<u>\$303,996</u>	<u>\$153,229</u>	<u>\$156,072</u>	<u>\$50,133</u>	<u>\$2,765,599</u>	<u>\$890,019</u>	<u>\$522,147</u>

Continued

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$501,214	\$22,427	\$185,850	\$6,634,778
Receivables (Net):				
Interest	0	0	0	1,750
Intergovernmental	0	0	0	990,209
Total Assets	501,214	22,427	185,850	7,626,737
Liabilities:				
Accounts Payable	0	0	0	44,194
Accrued Wages and Benefits	0	0	0	94,090
Claims Payable	0	0	0	5,326
Total Liabilities	0	0	0	143,610
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	797,817
Investment Earnings	0	0	0	1,750
Total Deferred Inflows of Resources	0	0	0	799,567
Fund Balances:				
Restricted	501,214	22,427	185,850	6,683,560
Total Fund Balances	501,214	22,427	185,850	6,683,560
Total Liabilities, Deferred Inflows and Fund Balances	\$501,214	\$22,427	\$185,850	\$7,626,737

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City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Investment Earnings	\$0	\$0	\$49	\$16	\$0
Intergovernmental	1,865,912	151,291	0	0	0
Special Assessments	0	0	0	0	0
Fines, Licenses & Permits	0	0	0	1,350	20,249
Other Revenues	40,198	0	0	0	0
Total Revenues	1,906,110	151,291	49	1,366	20,249
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	5,423
Transportation and Street Repair	2,790,785	140,452	12,602	0	0
Capital Outlay	13,120	0	3,738	36,691	0
Total Expenditures	2,803,905	140,452	16,340	36,691	5,423
Net Change in Fund Balance	27,205	10,839	(16,291)	(35,325)	14,826
Fund Balance - Beginning of Year	650,808	44,502	249,749	245,985	126,239
Fund Balance - End of Year	\$678,013	\$55,341	\$233,458	\$210,660	\$141,065

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$0	\$33	\$33	\$0	\$8,110	\$116	\$66
334,142	0	0	18,246	0	0	0
0	0	0	0	0	0	0
0	7,916	22,385	0	383,659	82,831	50,808
0	0	0	0	818	0	157
<u>334,142</u>	<u>7,949</u>	<u>22,418</u>	<u>18,246</u>	<u>392,587</u>	<u>82,947</u>	<u>51,031</u>
0	0	15,250	0	326,698	42,257	68,621
0	3,500	0	3,943	0	0	0
304,678	0	0	0	0	0	0
0	0	0	0	0	11,841	0
<u>304,678</u>	<u>3,500</u>	<u>15,250</u>	<u>3,943</u>	<u>326,698</u>	<u>54,098</u>	<u>68,621</u>
29,464	4,449	7,168	14,303	65,889	28,849	(17,590)
122,559	148,780	147,977	31,888	2,679,556	854,464	537,776
<u>\$152,023</u>	<u>\$153,229</u>	<u>\$155,145</u>	<u>\$46,191</u>	<u>\$2,745,445</u>	<u>\$883,313</u>	<u>\$520,186</u>

Continued

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Revenues:				
Investment Earnings	\$33	\$0	\$0	\$8,456
Intergovernmental	0	0	0	2,369,591
Special Assessments	0	1,069	0	1,069
Fines, Licenses & Permits	36,365	0	36,383	641,946
Other Revenues	0	1,167	0	42,340
Total Revenues	36,398	2,236	36,383	3,063,402
Expenditures:				
Current:				
General Government	0	0	0	452,826
Public Safety	0	0	0	12,866
Transportation and Street Repair	0	0	0	3,248,517
Capital Outlay	0	0	0	65,390
Total Expenditures	0	0	0	3,779,599
Net Change in Fund Balance	36,398	2,236	36,383	208,803
Fund Balance - Beginning of Year	464,816	20,191	149,467	6,474,757
Fund Balance - End of Year	<u>\$501,214</u>	<u>\$22,427</u>	<u>\$185,850</u>	<u>\$6,683,560</u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,774,500	\$1,774,500	\$1,862,883	\$88,383
Other Revenues	8,000	8,000	40,198	32,198
Total Revenues	1,782,500	1,782,500	1,903,081	120,581
Expenditures:				
Transportation and Street Repair				
Personnel Related	1,511,058	1,552,608	1,531,669	20,939
Other	1,368,498	1,542,511	1,478,455	64,056
Total Expenditures	2,879,556	3,095,119	3,010,124	84,995
Excess of Revenues Over (Under) Expenditures	(1,097,056)	(1,312,619)	(1,107,043)	205,576
Other Financing Sources (uses):				
Transfers In	925,000	925,000	925,000	0
Total Other Financing Sources (Uses)	925,000	925,000	925,000	0
Net Change in Fund Balance	(172,056)	(387,619)	(182,043)	205,576
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	756,694	756,694	756,694	0
Fund Balance End of Year	\$584,638	\$369,075	\$574,651	\$205,576

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	State Highway Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$153,000	\$153,000	\$151,045	(\$1,955)
Total Revenues	153,000	153,000	151,045	(1,955)
Expenditures:				
Transportation and Street Repair Personnel Related	152,175	152,175	146,613	5,562
Total Expenditures	152,175	152,175	146,613	5,562
Net Change in Fund Balance	825	825	4,432	3,607
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	45,980	45,980	45,980	0
Fund Balance End of Year	\$46,805	\$46,805	\$50,412	\$3,607

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	County Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$100,000	\$100,000	\$0	(\$100,000)
Investment Earnings	50	50	49	(1)
Total Revenues	100,050	100,050	49	(100,001)
Expenditures:				
Capital Outlay	28,513	48,863	20,635	28,228
Total Expenditures	28,513	48,863	20,635	28,228
Net Change in Fund Balance	71,537	51,187	(20,586)	(71,773)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	249,749	249,749	249,749	0
Fund Balance End of Year	\$321,286	\$300,936	\$229,163	(\$71,773)

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Tax Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Licenses & Permits	\$2,100	\$2,100	\$1,350	(\$750)
Investment Earnings	50	50	16	(34)
Total Revenues	2,150	2,150	1,366	(784)
Expenditures:				
Capital Outlay	8,935	38,135	36,691	1,444
Total Expenditures	8,935	38,135	36,691	1,444
Net Change in Fund Balance	(6,785)	(35,985)	(35,325)	660
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	245,985	245,985	245,985	0
Fund Balance End of Year	\$239,200	\$210,000	\$210,660	\$660

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$1,000	\$1,000	\$20,249	\$19,249
Total Revenues	1,000	1,000	20,249	19,249
Expenditures:				
Public Safety				
Other	27,083	21,622	7,506	14,116
Capital Outlay	0	4,015	0	4,015
Total Expenditures	27,083	25,637	7,506	18,131
Net Change in Fund Balance	(26,083)	(24,637)	12,743	37,380
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	128,322	128,322	128,322	0
Fund Balance End of Year	\$102,239	\$103,685	\$141,065	\$37,380

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Municipal Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$330,000	\$330,000	\$331,847	\$1,847
Total Revenues	330,000	330,000	331,847	1,847
Expenditures:				
Transportation and Street Repair Personnel Related	329,713	329,713	314,798	14,915
Total Expenditures	329,713	329,713	314,798	14,915
Net Change in Fund Balance	287	287	17,049	16,762
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	119,308	119,308	119,308	0
Fund Balance End of Year	\$119,595	\$119,595	\$136,357	\$16,762

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Law Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$6,500	\$6,500	\$7,916	\$1,416
Investment Earnings	30	30	33	3
Total Revenues	6,530	6,530	7,949	1,419
Expenditures:				
Public Safety				
Other	37,685	30,500	3,500	27,000
Total Expenditures	37,685	30,500	3,500	27,000
Net Change in Fund Balance	(31,155)	(23,970)	4,449	28,419
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	148,780	148,780	148,780	0
Fund Balance End of Year	\$117,625	\$124,810	\$153,229	\$28,419

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Drug and Alcohol Treatment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$12,000	\$12,000	\$22,385	\$10,385
Investment Earnings	30	30	33	3
Total Revenues	12,030	12,030	22,418	10,388
Expenditures:				
General Government				
Other	15,000	15,000	14,323	677
Total Expenditures	15,000	15,000	14,323	677
Net Change in Fund Balance	(2,970)	(2,970)	8,095	11,065
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	147,977	147,977	147,977	0
Fund Balance End of Year	\$145,007	\$145,007	\$156,072	\$11,065

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Local Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$18,246	\$18,246
Total Revenues	\$0	\$0	\$18,246	\$18,246
Expenditures:				
Public Safety				
Other	3,538	15,493	7,481	8,012
Total Expenditures	3,538	15,493	7,481	8,012
Net Change in Fund Balance	(3,538)	(15,493)	10,765	26,258
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,426	35,426	35,426	0
Fund Balance End of Year	\$31,888	\$19,933	\$46,191	\$26,258

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Probation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	470,000	470,000	383,659	(86,341)
Investment Earnings	6,000	6,000	7,684	1,684
Other Revenues	0	0	818	818
Total Revenues	476,000	476,000	392,161	(83,839)
Expenditures:				
General Government				
Personnel Related	310,450	322,352	318,352	4,000
Other	47,228	46,350	14,496	31,854
Total Expenditures	357,678	368,702	332,848	35,854
Net Change in Fund Balance	118,322	107,298	59,313	(47,985)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,703,059	2,703,059	2,703,059	0
Fund Balance End of Year	\$2,821,381	\$2,810,357	\$2,762,372	(\$47,985)

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Court Computer Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$80,000	\$80,000	\$82,831	\$2,831
Investment Earnings	100	100	116	16
Total Revenues	80,100	80,100	82,947	2,847
Expenditures:				
General Government				
Other	75,000	75,000	64,548	10,452
Total Expenditures	75,000	75,000	64,548	10,452
Net Change in Fund Balance	5,100	5,100	18,399	13,299
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	864,915	864,915	864,915	0
Fund Balance End of Year	\$870,015	\$870,015	\$883,314	\$13,299

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Special Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$50,000	\$50,000	\$50,808	\$808
Investment Earnings	50	50	66	16
Other Revenues	0	0	157	157
Total Revenues	50,050	50,050	51,031	981
Expenditures:				
General Government				
Personnel Related	65,451	65,451	59,289	6,162
Other	30,266	30,266	17,099	13,167
Total Expenditures	95,717	95,717	76,388	19,329
Net Change in Fund Balance	(45,667)	(45,667)	(25,357)	20,310
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	547,505	547,505	547,505	0
Fund Balance End of Year	\$501,838	\$501,838	\$522,148	\$20,310

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Mediation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$48,000	\$48,000	\$36,365	(\$11,635)
Investment Earnings	30	30	33	3
Total Revenues	48,030	48,030	36,398	(11,632)
Expenditures:				
General Government				
Other	5,000	5,000	0	5,000
Total Expenditures	5,000	5,000	0	5,000
Net Change in Fund Balance	43,030	43,030	36,398	(6,632)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	464,815	464,815	464,815	0
Fund Balance End of Year	\$507,845	\$507,845	\$501,213	(\$6,632)

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Tax Increment Equivalent Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$85,200	\$85,200	\$1,069	(\$84,131)
Total Revenues	85,200	85,200	1,069	(84,131)
Expenditures:				
General Government				
Other	85,000	85,000	(1,167)	86,167
Total Expenditures	85,000	85,000	(1,167)	86,167
Net Change in Fund Balance	200	200	2,236	2,036
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,191	20,191	20,191	0
Fund Balance End of Year	\$20,391	\$20,391	\$22,427	\$2,036

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Indigent Driver Interlock Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$30,000	\$30,000	\$36,383	\$6,383
Total Revenues	30,000	30,000	36,383	6,383
Expenditures:				
General Government				
Other	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Net Change in Fund Balance	20,000	20,000	36,383	16,383
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	149,467	149,467	149,467	0
Fund Balance End of Year	<u>\$169,467</u>	<u>\$169,467</u>	<u>\$185,850</u>	<u>\$16,383</u>

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NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

General Bond Retirement - To accumulate monies for the payment of long-term and short-term debt issued without a vote of the people. Transfers from the Capital Improvements and Street Improvement Funds support this fund.

Special Assessment - To account for payment of bonds issued for improvements deemed to benefit specific properties against which assessments are levied.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$33,815	\$1,615,879	\$1,649,694
Receivables (Net):			
Intergovernmental	<u>0</u>	<u>585,341</u>	<u>585,341</u>
Total Assets	<u>33,815</u>	<u>2,201,220</u>	<u>2,235,035</u>
Liabilities:			
Accounts Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:			
Grants and Other Taxes	<u>0</u>	<u>585,341</u>	<u>585,341</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>585,341</u>	<u>585,341</u>
Fund Balances:			
Restricted	0	1,615,879	1,615,879
Assigned	<u>33,815</u>	<u>0</u>	<u>33,815</u>
Total Fund Balances	<u>33,815</u>	<u>1,615,879</u>	<u>1,649,694</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$33,815</u>	<u>\$2,201,220</u>	<u>\$2,235,035</u>

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2014

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$33,239	\$33,239
Special Assessments	0	22,247	22,247
Total Revenues	0	55,486	55,486
Expenditures:			
Current:			
General Government	10,177	750	10,927
Transportation and Street Repair	0	211,382	211,382
Debt Service:			
Principal	1,625,000	0	1,625,000
Interest and Other Charges	833,222	1,819	835,041
Total Expenditures	2,468,399	213,951	2,682,350
Excess of Revenues Over (Under) Expenditures	(2,468,399)	(158,465)	(2,626,864)
Other Financing Sources (Uses):			
Transfers In	3,106,244	0	3,106,244
Transfers (Out)	(645,000)	0	(645,000)
Total Other Financing Sources (Uses)	2,461,244	0	2,461,244
Net Change in Fund Balance	(7,155)	(158,465)	(165,620)
Fund Balance - Beginning of Year, Restated	40,970	1,774,344	1,815,314
Fund Balance - End of Year	\$33,815	\$1,615,879	\$1,649,694

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	General Bond Retirement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Other	6,000	10,500	10,177	323
Debt Service:				
Principal Retirement	2,270,000	2,270,000	2,270,000	0
Interest and Fiscal Charges	839,000	839,000	836,794	2,206
Total Expenditures	3,115,000	3,119,500	3,116,971	2,529
Excess of Revenues Over (Under) Expenditures	(3,115,000)	(3,119,500)	(3,116,971)	2,529
Other Financing Sources (uses):				
Debt Proceeds and Premium	0	0	3,572	3,572
Transfers In	3,120,000	3,120,000	3,106,244	(13,756)
Total Other Financing Sources (Uses)	3,120,000	3,120,000	3,109,816	(10,184)
Net Change in Fund Balance	5,000	500	(7,155)	(7,655)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	40,969	40,969	40,969	0
Fund Balance End of Year	\$45,969	\$41,469	\$33,814	(\$7,655)

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Special Assessment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$233,200	\$833,200	\$642,113	(\$191,087)
Investment Earnings	800	800	33,239	32,439
Total Revenues	234,000	834,000	675,352	(158,648)
Expenditures:				
Current:				
General Government				
Other	1,500	750	750	0
Debt Service:				
Principal Retirement	229,300	829,300	831,248	(1,948)
Interest and Fiscal Charges	0	750	1,819	(1,069)
Total Expenditures	230,800	830,800	833,817	(3,017)
Net Change in Fund Balance	3,200	3,200	(158,465)	(161,665)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,774,340	1,774,340	1,774,340	0
Fund Balance End of Year	\$1,777,540	\$1,777,540	\$1,615,875	(\$161,665)

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NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Capital Improvement - This capital projects fund accounts for the acquisition, construction, or the debt service thereupon, of assets with a useful life of five (5) years or more. Financing has been derived from two-tenths of the City's income tax.

Flood Protection – This capital project fund accounts for the construction of a flood protection project, which provides protection from stormwater runoff. Financing is derived from grants from the federal government, the state government and the issuance of notes.

State Issue I - This capital project fund accounts projects financed through the State of Ohio Public Works Commission. Financing is derived from grants from the stat government and local share participation.

Downtown Development - This capital projects fund accounts for expenditures of resources to construct major improvements to the City's downtown area.

Park Development - This capital projects fund accounts for the creation and development of Huffman Park.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Park Development
Assets:					
Equity in Pooled Cash and Investments	\$2,052,987	\$2,311	\$0	\$152,999	\$4,319
Receivables (Net):					
Taxes	641,804	0	0	0	0
Interest	948	0	0	0	0
Intergovernmental	0	0	627,905	0	0
Total Assets	2,695,739	2,311	627,905	152,999	4,319
Liabilities:					
Accounts Payable	189,656	0	0	0	0
Interfund Payable	0	0	627,905	0	0
Total Liabilities	189,656	0	627,905	0	0
Deferred Inflows of Resources:					
Income Taxes	424,816	0	0	0	0
Grants and Other Taxes	0	0	123,529	0	0
Investment Earnings	521	0	0	0	0
Total Deferred Inflows of Resources	425,337	0	123,529	0	0
Fund Balances:					
Restricted	2,080,746	2,311	0	0	4,319
Assigned	0	0	0	152,999	0
Unassigned	0	0	(123,529)	0	0
Total Fund Balances	2,080,746	2,311	(123,529)	152,999	4,319
Total Liabilities, Deferred Inflows and Fund Balances	\$2,695,739	\$2,311	\$627,905	\$152,999	\$4,319

Total
Nonmajor
Capital Projects
Funds

\$2,212,616

641,804

948

627,905

3,483,273

189,656

627,905

817,561

424,816

123,529

521

548,866

2,087,376

152,999

(123,529)

2,116,846

\$3,483,273

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2014

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Park Development
Revenues:					
Income Taxes	\$2,329,342	\$0	\$0	\$0	\$0
Investment Earnings	12,385	0	0	0	0
Intergovernmental	442	0	931,107	0	0
Other Revenues	2,925	0	0	0	0
Total Revenues	2,345,094	0	931,107	0	0
Expenditures:					
Current:					
Transportation and Street Repair	970,896	0	0	0	0
Capital Outlay	1,643,144	0	769,012	0	3,725
Total Expenditures	2,614,040	0	769,012	0	3,725
Excess of Revenues Over (Under) Expenditures	(268,946)	0	162,095	0	(3,725)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	56,237	0	0	0	0
Transfers In	750,000	10,000	0	0	40,000
Transfers (Out)	(1,416,385)	0	0	0	0
Total Other Financing Sources (Uses)	(610,148)	10,000	0	0	40,000
Net Change in Fund Balance	(879,094)	10,000	162,095	0	36,275
Fund Balance - Beginning of Year	2,959,840	(7,689)	(285,624)	152,999	(31,956)
Fund Balance - End of Year	<u>\$2,080,746</u>	<u>\$2,311</u>	<u>(\$123,529)</u>	<u>\$152,999</u>	<u>\$4,319</u>

<u>Total</u>
<u>Nonmajor</u>
<u>Capital Projects</u>
<u>Funds</u>
\$2,329,342
12,385
931,549
<u>2,925</u>
<u>3,276,201</u>
970,896
<u>2,415,881</u>
<u>3,386,777</u>
<u>(110,576)</u>
56,237
800,000
<u>(1,416,385)</u>
<u>(560,148)</u>
(670,724)
<u>2,787,570</u>
<u>\$2,116,846</u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$2,388,100	\$2,388,100	\$2,653,219	\$265,119
Intergovernmental	0	0	442	442
Investment Earnings	12,000	12,000	10,436	(1,564)
Other Revenues	1,000	1,000	2,925	1,925
Total Revenues	2,401,100	2,401,100	2,667,022	265,922
Expenditures:				
Capital Outlay	795,188	3,641,542	3,555,869	85,673
Total Expenditures	795,188	3,641,542	3,555,869	85,673
Excess of Revenues Over (Under) Expenditures	1,605,912	(1,240,442)	(888,847)	351,595
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	15,000	15,000	56,237	41,237
Transfers In	0	750,000	750,000	0
Transfers (Out)	(1,420,000)	(1,420,000)	(1,416,385)	3,615
Total Other Financing Sources (Uses)	(1,405,000)	(655,000)	(610,148)	44,852
Net Change in Fund Balance	200,912	(1,895,442)	(1,498,995)	396,447
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,885,642	2,885,642	2,885,642	0
Fund Balance End of Year	\$3,086,554	\$990,200	\$1,386,647	\$396,447

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Flood Protection Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Total Expenditures	0	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (uses):				
Transfers In	0	0	10,000	10,000
Total Other Financing Sources (Uses)	0	0	10,000	10,000
Net Change in Fund Balance	0	0	10,000	10,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(7,689)	(7,689)	(7,689)	0
Fund Balance End of Year	(\$7,689)	(\$7,689)	\$2,311	\$10,000

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	State Issue I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$50,000	\$850,000	\$426,731	(\$423,269)
Total Revenues	50,000	850,000	426,731	(423,269)
Expenditures:				
Capital Outlay	121,097	916,900	796,375	120,525
Total Expenditures	121,097	916,900	796,375	120,525
Net Change in Fund Balance	(71,097)	(66,900)	(369,644)	(302,744)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(285,624)	(285,624)	(285,624)	0
Fund Balance End of Year	(\$356,721)	(\$352,524)	(\$655,268)	(\$302,744)

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Downtown Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	1,000	1,000	0	1,000
Total Expenditures	1,000	1,000	0	1,000
Net Change in Fund Balance	(1,000)	(1,000)	0	1,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	153,001	153,001	153,001	0
Fund Balance End of Year	<u>\$152,001</u>	<u>\$152,001</u>	<u>\$153,001</u>	<u>\$1,000</u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Park Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	19,274	19,274	19,274	0
Total Expenditures	19,274	19,274	19,274	0
Excess of Revenues Over (Under) Expenditures	(19,274)	(19,274)	(19,274)	0
Other Financing Sources (uses):				
Transfers In	0	0	40,000	40,000
Total Other Financing Sources (Uses)	0	0	40,000	40,000
Net Change in Fund Balance	(19,274)	(19,274)	20,726	40,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(16,407)	(16,407)	(16,407)	0
Fund Balance End of Year	<u>(\$35,681)</u>	<u>(\$35,681)</u>	<u>\$4,319</u>	<u>\$40,000</u>

OTHER GENERAL FUND

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedule for this funds.

Fund Description

Compensated Leave Fund - To account for payment of accrued sick and vacation leave for city employees upon retirement.

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Compensated Leave Fund (1)			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$100	\$100	\$132	\$32
Total Revenues	100	100	132	32
Total Expenditures	0	0	0	0
Net Change in Fund Balance	100	100	132	32
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	468,474	468,474	468,474	0
Fund Balance End of Year	<u>\$468,574</u>	<u>\$468,574</u>	<u>\$468,606</u>	<u>\$32</u>

(1) - This fund is combined with the General fund in GAAP Statements

NONMAJOR FUNDS

Internal Service Funds: The Internal Service Funds are established to account for goods and services furnished by a designated agency to other departments within the same government unit on a cost reimbursement basis.

Fund Descriptions

Employees' Benefits - To account for the cost of the City's self-insured health care operations.

Municipal Garage - To account for the cost of maintaining the City's equipment and automotive fleet.

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

Fund Descriptions

Agency Fund - Municipal Courts - To account for funds collected by the court until such time as the funds can be distributed to individuals, private organizations, other governmental units and/or other funds.

Agency Fund - Warranty Bonds - To account for warranty bonds collected.

Agency Fund - Joint Economic Development District- To account for various economic development projects between West Chester Township, the City of Springdale and the City of Fairfield.

City of Fairfield, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2014

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	<u>\$1,374,184</u>	<u>\$212,987</u>	<u>\$1,587,171</u>
Total Current Assets	<u>1,374,184</u>	<u>212,987</u>	<u>1,587,171</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	1,937	19,642	21,579
Accrued Wages and Benefits	0	26,571	26,571
Compensated Absences	0	12,294	12,294
Claims Payable	<u>146,261</u>	<u>1,270</u>	<u>147,531</u>
Total Current Liabilities	<u>148,198</u>	<u>59,777</u>	<u>207,975</u>
Long-Term Liabilities:			
Compensated Absences	<u>0</u>	<u>86,564</u>	<u>86,564</u>
Total Liabilities	<u>148,198</u>	<u>146,341</u>	<u>294,539</u>
Net Position:			
Unrestricted	<u>1,225,986</u>	<u>66,646</u>	<u>1,292,632</u>
Total Net Position	<u><u>\$1,225,986</u></u>	<u><u>\$66,646</u></u>	<u><u>\$1,292,632</u></u>

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2014

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$4,641,839	\$797,213	\$5,439,052
Other Revenues	0	3,822	3,822
Total Operating Revenues	<u>4,641,839</u>	<u>801,035</u>	<u>5,442,874</u>
Operating Expenses:			
Personal Services	0	576,499	576,499
Contactual Services	4,280,251	7,131	4,287,382
Materials and Supplies	0	338,829	338,829
Total Operating Expenses	<u>4,280,251</u>	<u>922,459</u>	<u>5,202,710</u>
Operating Income (Loss)	<u>361,588</u>	<u>(121,424)</u>	<u>240,164</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	2	0	2
Total Non-Operating Revenues (Expenses)	<u>2</u>	<u>0</u>	<u>2</u>
Income (Loss) Before Contributions and Transfers	361,590	(121,424)	240,166
Transfers In	0	200,000	200,000
Change in Net Position	361,590	78,576	440,166
Net Position - Beginning of Year	<u>864,396</u>	<u>(11,930)</u>	<u>852,466</u>
Net Position - End of Year	<u>\$1,225,986</u>	<u>\$66,646</u>	<u>\$1,292,632</u>

City of Fairfield, Ohio
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2014

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$4,641,839	\$801,035	\$5,442,874
Cash Payments to Employees	0	(579,525)	(579,525)
Cash Payments to Suppliers	(4,146,587)	(350,157)	(4,496,744)
Net Cash Provided (Used) by Operating Activities	<u>495,252</u>	<u>(128,647)</u>	<u>366,605</u>
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	<u>0</u>	<u>200,000</u>	<u>200,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>200,000</u>	<u>200,000</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>2</u>	<u>0</u>	<u>2</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>2</u>	<u>0</u>	<u>2</u>
Net Increase (Decrease) in Cash	495,254	71,353	566,607
Cash and Cash Equivalents - Beginning of Year	<u>878,930</u>	<u>141,634</u>	<u>1,020,564</u>
Cash and Cash Equivalents - End of Year	<u><u>1,374,184</u></u>	<u><u>212,987</u></u>	<u><u>1,587,171</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	361,588	(121,424)	240,164
Changes in Assets & Liabilities:			
Increase (Decrease) in Payables	133,664	(4,532)	129,132
Increase (Decrease) in Accrued Liabilities	<u>0</u>	<u>(2,691)</u>	<u>(2,691)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$495,252</u>	<u>(\$128,647)</u>	<u>\$366,605</u>

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

	Municipal Court			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$101,216	\$769,827	\$750,471	\$120,572
Total Assets	101,216	769,827	750,471	120,572
Liabilities:				
Undistributed Monies	101,216	769,827	750,471	120,572
Total Liabilities	\$101,216	\$769,827	\$750,471	\$120,572

	Warranty Bonds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$10,737	\$3	\$111	\$10,629
Total Assets	10,737	3	111	10,629
Liabilities:				
Undistributed Monies	10,737	3	111	10,629
Total Liabilities	\$10,737	\$3	\$111	\$10,629

	Economic Development District			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$175,485	\$1,890,498	\$1,894,350	\$171,633
Receivables (Net):				
Accounts	143,753	214,770	143,753	214,770
Total Assets	319,238	2,105,268	2,038,103	386,403
Liabilities:				
Accounts Payable	146,895	147,084	146,895	147,084
Undistributed Monies	172,343	1,958,184	1,891,208	239,319
Total Liabilities	\$319,238	\$2,105,268	\$2,038,103	\$386,403

Continued

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$287,438	\$2,660,328	\$2,644,932	\$302,834
Receivables (Net):				
Accounts	143,753	214,770	143,753	214,770
Total Assets	431,191	2,875,098	2,788,685	517,604
Liabilities:				
Accounts Payable	146,895	147,084	146,895	147,084
Undistributed Monies	284,296	2,728,014	2,641,790	370,520
Total Liabilities	\$431,191	\$2,875,098	\$2,788,685	\$517,604



Statistical Section

STATISTICAL SECTION

This part of the City'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.

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the City's most significant local revenue sources, the income tax and property tax.

Debt Capacity - 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.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report 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 Fairfield, Ohio
 Net Position by Component
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 1

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$54,410,081	\$57,602,463	\$60,813,629	\$61,855,826	\$65,966,427	\$66,371,105	\$64,296,950	\$67,275,297	\$69,235,249	\$70,400,669
Restricted	11,788,385	11,245,048	10,331,713	16,285,100	14,757,991	13,308,997	15,986,150	16,117,641	17,137,210	16,288,586
Unrestricted	18,606,085	20,702,996	22,442,784	15,315,197	9,942,780	9,016,660	12,370,308	13,959,061	17,136,178	16,492,976
Total Governmental Activities Net Position	\$84,804,551	\$89,550,507	\$93,588,126	\$93,456,123	\$90,667,198	\$88,696,762	\$92,653,408	\$97,351,999	\$103,508,637	\$103,182,231
Business-type activities										
Net Investment in Capital Assets	\$34,091,302	\$34,692,293	\$34,821,973	\$35,778,211	\$37,114,611	\$37,096,724	\$37,488,020	\$37,444,547	\$37,900,975	\$38,873,969
Restricted	1,131,986	1,193,743	1,207,193	1,270,771	1,018,871	1,018,149	1,018,291	1,018,832	1,021,404	1,022,736
Unrestricted	13,863,041	13,454,093	13,231,494	12,489,925	10,201,536	9,683,097	8,968,926	9,140,411	9,583,331	9,242,621
Total Business-Type Activities Net Position	\$49,086,329	\$49,340,129	\$49,260,660	\$49,538,907	\$48,335,018	\$47,797,970	\$47,475,237	\$47,603,790	\$48,505,710	\$49,139,326
Total Primary Government										
Net Investment in Capital Assets	\$88,501,383	\$92,294,756	\$95,635,602	\$97,634,037	\$103,081,038	\$103,467,829	\$101,784,970	\$104,719,844	\$107,136,224	\$109,274,638
Restricted	12,920,371	12,438,791	11,538,906	17,555,871	15,776,862	14,327,146	17,004,441	17,136,473	18,158,614	17,311,322
Unrestricted	32,469,126	34,157,089	35,674,278	27,805,122	20,144,316	18,699,757	21,339,234	23,099,472	26,719,509	25,735,597
Total Primary Government Net Position	\$133,890,880	\$138,890,636	\$142,848,786	\$142,995,030	\$139,002,216	\$136,494,732	\$140,128,645	\$144,955,789	\$152,014,347	\$152,321,557

Source: City Records

City of Fairfield, Ohio
Changes in Net Position
Last Ten Calendar Years
(accrual basis of accounting)
Schedule 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$7,172,448	\$7,817,572	\$7,239,804	\$7,801,044	\$8,302,202	\$8,219,146	\$8,375,019	\$8,451,042	\$7,631,141	\$8,179,792
Public Safety	13,502,174	14,603,318	15,016,636	15,725,351	16,505,748	17,357,175	16,309,564	16,249,928	16,268,499	17,231,019
Leisure Time Activities	2,126,895	2,732,748	2,866,626	3,085,978	3,275,415	3,449,071	3,394,755	3,412,316	3,466,481	3,294,693
Community Development	1,043,526	1,232,188	1,617,775	1,702,850	1,489,030	1,438,118	1,366,224	1,359,819	1,341,884	1,483,394
Basic Utility Service	506,372	508,183	461,934	453,750	524,491	510,171	479,877	412,238	451,823	442,800
Transportation and Street Repair	10,240,547	8,377,486	10,279,823	10,437,041	9,604,526	8,622,712	7,610,384	7,447,779	6,045,380	8,004,851
Public Health and Welfare	25,007	24,363	24,166	23,457	23,074	22,441	21,998	21,784	21,476	21,581
Interest and Fiscal Charges	842,065	870,047	917,208	862,252	687,450	794,384	1,034,139	808,963	851,250	815,863
Total Governmental Activities Expenses	35,459,034	36,165,905	38,423,972	40,091,723	40,411,936	40,413,218	38,591,960	38,163,869	36,077,934	39,473,993
Business-Type Activities:										
Water Utility	3,763,190	3,696,111	4,269,598	4,263,391	4,780,644	4,450,415	4,622,668	4,510,147	4,626,165	5,044,656
Sewer Utility	4,517,979	4,710,334	5,113,311	4,966,224	4,987,541	5,030,761	4,951,150	5,100,875	5,139,515	5,272,460
Solid Waste Management	1,751,984	1,851,371	2,007,021	2,266,099	2,373,306	2,513,726	2,581,355	2,444,874	2,140,007	2,173,408
Recreation Facilities	1,885,070	1,897,000	1,936,693	2,095,997	2,222,772	2,358,398	2,066,756	2,142,869	2,177,176	2,280,222
Total Business-Type Activities Expenses	11,918,223	12,154,816	13,326,623	13,591,711	14,364,263	14,353,300	14,221,929	14,198,765	14,082,863	14,770,746
Total Primary Government Expenses	\$47,377,257	\$48,320,721	\$51,750,595	\$53,683,434	\$54,776,199	\$54,766,518	\$52,813,889	\$52,362,634	\$50,160,797	\$54,244,739
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,174,030	\$1,282,363	\$1,253,147	\$2,146,381	\$2,135,946	\$2,002,295	\$2,333,954	\$1,881,872	\$1,734,805	\$1,802,079
Public Safety	1,463,507	1,715,358	1,790,379	1,108,266	1,264,931	1,144,876	1,224,775	1,183,079	1,189,223	1,162,252
Leisure Time Activities	474,215	200,442	218,759	238,651	248,862	278,973	252,125	272,605	281,499	248,952
Community Development	65,027	487,966	341,793	446,641	365,788	335,889	79,800	281,964	354,464	529,106
Basic Utility Service	491,588	479,807	733,410	491,304	512,159	640,082	384,635	670,950	565,538	566,935
Transportation and Street Repair	0	0	0	6,665	15,307	28,587	26,561	38,233	38,389	37,452
Operating Grants and Contributions	2,628,669	3,356,835	2,751,313	3,193,430	3,352,963	3,010,499	3,614,620	3,338,989	2,933,524	2,944,428
Capital Grants and Contributions	1,556,398	781,952	1,410,875	647,472	1,331,917	790,846	3,115,434	3,880,495	1,707,738	14,506
Total Governmental Activities Program Revenues	7,853,434	8,304,723	8,499,676	8,278,810	9,227,873	8,232,047	11,031,904	11,548,187	8,805,180	7,305,710

City of Fairfield, Ohio
Changes in Net Position
Last Ten Calendar Years
(accrual basis of accounting)
Schedule 2 (Continued)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	3,509,115	3,468,314	3,813,675	3,873,447	3,759,023	3,777,374	3,749,292	4,025,197	\$4,666,222	\$4,825,443
Sewer Utility	4,170,483	4,569,010	4,569,801	4,612,647	4,720,792	4,795,347	5,229,115	5,492,327	5,733,338	5,968,424
Solid Waste Management	1,460,257	1,492,120	1,567,007	1,620,155	1,774,420	1,937,507	2,294,545	2,373,948	2,119,641	2,165,612
Recreation Facilities	1,533,572	1,644,698	1,696,093	2,015,057	2,057,814	2,084,567	1,953,697	2,097,727	1,871,477	1,831,891
Operating Grants and Contributions	0	0	0	0	33,290	65,667	25,919	3,999	31,597	88,048
Capital Grants and Contributions	0	0	0	0	0	0	0	0	145,770	900
Total Business-Type Activities Program Revenues	10,673,427	11,174,142	11,646,576	12,121,306	12,345,339	12,660,462	13,252,568	13,993,198	14,568,045	14,880,318
Total Primary Government Program Revenues	\$18,526,861	\$19,478,865	\$20,146,252	\$20,400,116	\$21,573,212	\$20,892,509	\$24,284,472	\$25,541,385	\$23,373,225	\$22,186,028
Net (Expense)/Revenue	(\$27,605,600)	(\$27,861,182)	(\$29,924,296)	(\$31,812,913)	(\$31,184,063)	(\$32,181,171)	(\$27,560,056)	(\$26,615,682)	(\$27,272,754)	(\$32,168,283)
Governmental Activities	(1,244,796)	(980,674)	(1,680,047)	(1,470,405)	(2,018,924)	(1,692,838)	(969,361)	(205,567)	485,182	109,572
Business-type activities	(\$28,850,396)	(\$28,841,856)	(\$31,604,343)	(\$33,283,318)	(\$33,202,987)	(\$33,874,009)	(\$28,529,417)	(\$26,821,249)	(\$26,787,572)	(\$32,058,711)
Total Primary Government Net Expenses	\$20,316,676	\$22,302,563	\$23,491,536	\$23,770,850	\$20,975,945	\$23,206,157	\$23,652,942	\$23,709,192	\$25,606,839	\$23,586,464
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	4,954,867	1,293,193	1,560,761	1,106,422	1,547,487	1,551,760	1,474,934	1,385,870	1,476,744	1,987,282
Property Taxes Levied for:	0	3,679,353	4,515,318	3,306,657	3,921,193	3,799,059	3,595,787	3,551,089	3,538,952	3,587,886
General Purposes	2,263,680	3,197,933	3,111,723	3,008,438	1,571,533	2,143,796	2,412,622	1,725,889	1,404,103	1,580,380
Special Revenue Purposes	946,699	1,464,849	1,676,017	1,416,837	403,898	216,726	177,580	241,232	126,654	140,964
Grants and Entitlements not Restricted	273,167	1,219,247	156,129	172,337	168,142	211,309	642,837	851,001	1,693,821	1,253,901
Investment Earnings	(650,000)	(550,000)	(640,000)	(1,280,000)	(568,060)	(918,072)	(440,000)	(150,000)	(145,000)	(295,000)
Other Revenues	28,105,089	32,607,138	33,871,484	31,501,541	28,020,138	30,210,735	31,516,702	31,314,273	33,702,113	31,841,877
Transfers-Internal Activities	428,305	647,220	685,420	359,838	120,747	95,397	61,252	(17,798)	9,546	24,544
Total Governmental Activities	139,966	37,254	275,158	108,814	126,228	142,321	145,376	201,918	295,954	204,500
Business-Type Activities:	650,000	550,000	640,000	1,280,000	568,060	918,072	440,000	150,000	145,000	295,000
Investment Earnings	1,218,271	1,234,474	1,600,578	1,748,652	815,035	1,155,790	646,628	334,120	450,500	524,044
Other Revenues	\$29,323,360	\$33,841,612	\$35,472,062	\$33,250,193	\$28,835,173	\$31,366,525	\$32,163,330	\$31,648,393	\$34,152,613	\$32,365,921
Transfers-Internal Activities										
Total Business-Type Activities										
Total Primary Government										

City of Fairfield, Ohio
 Changes in Net Position
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 2 (Concluded)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in Net Position										
Governmental Activities	\$499,489	\$4,745,956	\$3,947,188	(\$311,372)	(\$3,163,925)	(\$1,970,436)	\$3,956,646	\$4,698,591	\$6,429,359	(\$326,406)
Business-Type Activities	(26,525)	253,800	(79,469)	278,247	(1,203,889)	(537,048)	(322,733)	128,553	935,682	633,616
Total Primary Government	\$472,964	\$4,999,756	\$3,867,719	(\$33,125)	(\$4,367,814)	(\$2,507,484)	\$3,633,913	\$4,827,144	\$7,365,041	\$307,210

Source: City Records

City of Fairfield, Ohio
Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 3

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014
General Fund										
Reserved	\$43,987	\$74,657	\$37,690	\$432,065	\$323,790	\$481,771	\$0	\$0	\$0	\$0
Unreserved	9,273,993	10,510,419	13,655,083	12,692,924	10,262,820	8,748,151	0	0	0	0
Assigned							251,377	92,799	358,413	1,276,408
Unassigned							10,161,500	12,352,032	15,236,166	13,107,411
Total General Fund	9,317,980	10,585,076	13,692,773	13,124,989	10,586,610	9,229,922	10,412,877	12,444,831	15,594,579	14,383,819
All Other Governmental Funds										
Reserved	6,792,569	5,254,491	2,606,357	3,801,329	1,753,678	8,672,323	0	0	0	0
Unreserved, Reported in:										
Special Revenue Funds	2,062,987	2,617,729	3,353,296	3,911,307	4,433,536	4,546,166	0	0	0	0
Debt Service Funds	1,652,542	1,991,644	1,498,864	1,528,211	1,453,973	1,485,833	0	0	0	0
Capital Projects Funds	194,779	(10,454)	146,107	363,059	5,493,406	4,540,749	0	0	0	0
Restricted							17,004,137	14,821,559	15,154,484	14,631,812
Assigned							212,497	209,911	193,969	186,814
Unassigned							(907,538)	(1,043,316)	(437,769)	(346,988)
Total all Other Governmental Funds	\$10,702,877	\$9,853,410	\$7,604,624	\$9,603,906	\$13,134,593	\$19,245,071	\$16,309,096	\$13,988,154	\$14,910,684	\$14,471,638

Source: City Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

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City of Fairfield, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$25,961,492	\$27,105,520	\$28,828,205	\$28,500,970	\$26,861,747	\$28,266,333	\$28,583,571	\$28,664,812	\$30,423,136	\$28,234,609
Fines, Licenses & Permits	1,974,885	2,437,555	2,136,564	2,363,478	2,136,001	2,261,968	2,182,221	2,005,002	1,886,788	1,859,215
Charges for Services	1,573,729	1,525,192	1,962,620	1,809,440	2,211,605	1,790,882	2,370,058	2,561,018	2,619,848	2,675,730
Investment Earnings	815,309	1,441,262	1,635,445	1,456,745	406,997	367,848	211,364	245,561	135,821	142,171
Intergovernmental	6,767,918	6,489,289	6,767,796	7,270,321	6,560,501	6,189,211	7,382,476	8,716,682	6,548,135	5,461,873
Special Assessments	61,048	173,721	253,763	279,582	69,656	28,213	19,026	28,940	276,143	40,587
Other Revenues	436,861	1,322,942	312,794	319,880	662,331	385,809	1,193,989	420,692	671,902	441,998
Total Revenues	\$37,591,242	\$40,495,481	\$41,897,187	\$42,000,416	\$38,908,838	\$39,290,264	\$41,942,705	\$42,642,707	\$42,561,773	\$38,856,183
Expenditures:										
Current:										
General Government	\$6,451,328	\$7,355,804	\$6,697,012	\$7,302,449	\$7,932,771	\$7,591,020	\$7,868,338	\$7,492,947	\$7,297,563	\$8,062,959
Public Safety	12,958,223	13,570,140	14,094,273	14,932,090	15,262,238	15,724,127	15,276,912	14,999,429	15,441,781	16,157,770
Leisure Time Activities	1,887,376	2,083,769	2,215,832	2,449,825	2,600,220	2,683,583	2,527,523	2,279,421	2,416,016	2,526,615
Community Development	1,107,022	1,183,209	1,573,045	1,588,348	1,439,439	1,451,970	1,326,096	1,304,371	1,326,648	1,434,544
Basic Utility Service	506,372	508,183	461,934	453,750	524,491	510,171	479,877	412,238	451,823	442,800
Transportation and Street Repair	7,908,631	6,058,791	7,946,070	8,260,640	7,318,320	6,208,262	5,315,056	4,388,564	3,063,645	5,314,576
Public Health and Welfare	25,007	24,363	24,166	23,457	23,074	22,441	21,998	21,784	21,476	21,581
Capital Outlay	10,226,385	7,349,867	5,363,198	2,368,797	6,902,977	6,092,909	7,697,920	9,258,968	5,277,220	3,633,918
Debt Service:										
Principal Retirement	953,756	945,591	890,000	870,000	954,515	1,233,549	1,577,547	1,716,763	1,686,207	1,654,765
Interest and Fiscal Charges	642,186	998,885	954,928	855,696	565,524	776,107	1,024,387	839,474	876,493	835,371
Total Expenditures	\$42,666,286	\$40,078,602	\$40,220,458	\$39,105,052	\$43,523,569	\$42,294,139	\$43,115,654	\$42,713,959	\$37,858,872	\$40,084,899

City of Fairfield, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4 (Continued)

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess (Deficiency) of Revenues Over Expenditures	(\$5,075,044)	\$416,879	\$1,676,729	\$2,895,364	(\$4,614,731)	(\$3,003,875)	(\$1,172,949)	(\$71,252)	\$4,702,901	(\$1,228,716)
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$17,295	\$636,750	\$12,002	\$16,134	\$346	\$18,115	\$25,929	\$122,264	\$54,377	\$73,910
Issuance of Capital Leases	0	0	0	0	378,346	0	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0	6,065,000	9,125,000	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	2,750,000	0	0	6,540,000	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	(2,829,535)	0	0	(6,852,466)	0	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	0	35,083	37,037	0	422,277	0	0
Transfers In	3,092,588	6,168,926	4,818,767	5,922,490	9,330,293	3,374,427	3,591,239	4,721,472	5,515,626	6,531,244
Transfers (Out)	(3,877,588)	(6,804,926)	(5,648,587)	(7,402,490)	(10,048,353)	(4,644,233)	(4,197,239)	(5,061,472)	(6,200,626)	(7,026,244)
Total Other Financing Sources (Uses)	(767,705)	750	(817,818)	(1,463,866)	5,681,180	7,910,346	(580,071)	(107,925)	(630,623)	(421,090)
Net Change in Fund Balances	(\$5,842,749)	\$417,629	\$858,911	\$1,431,498	\$1,066,449	\$4,906,471	(\$1,753,020)	(\$179,177)	\$4,072,278	(\$1,649,806)
Debt service as a percentage of noncapital expenditures (1)	5.4%	5.0%	5.9%	5.3%	4.7%	4.2%	5.5%	7.3%	7.7%	6.9%

Source: City Records

(1) - Noncapital expenditures is total expenditures minus capital assets used in governmental activities

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

Calendar Year	Real Property Assessed Value		Tangible Personal Property Assessed Value		Public Utilities Personal Assessed Value		Total Assessed Value		Total Estimated Actual Value		Total Direct Rate
	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value	Estimated Value	Actual Value	
2005	\$860,513,110	\$96,878,011	\$28,395,480	\$985,786,601	\$2,816,533,146	5.94					
2006 (1)	925,860,030	100,613,661	28,118,140	1,054,591,831	3,013,119,517	5.94					
2007 (1)	940,328,360	83,540,896	26,584,060	1,050,453,316	3,001,295,189	5.94					
2008 (1)	953,317,810	63,486,119	24,221,990	1,041,025,919	3,040,020,341	5.94					
2009 (1)	1,021,253,020	0	24,308,010	1,045,561,030	3,036,815,632	5.94					
2010 (1)	976,992,690	0	25,642,990	1,002,635,680	2,786,117,887	5.94					
2011 (1)	977,696,820	0	28,055,930	1,005,752,750	2,794,779,582	5.94					
2012 (1)	923,744,720	0	30,787,720	954,532,440	2,652,448,898	5.94					
2013 (1)	916,662,950	0	32,024,670	948,687,620	2,636,207,348	5.94					
2014 (1)	914,754,880	0	34,544,460	949,299,340	2,637,907,192	5.94					

Source: County Auditor

(1) - Tangible Personal Property was eliminated by calendar year 2008. Between 2010 through 2017, the State has and will continue to reimburse 100% of this lost revenue.

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. 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 is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

City of Fairfield, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 6

Calendar Year	Direct Rate				Total	Overlapping Rates			
	General Fund	Police Levy	Fire/EMS Levy			County Levy	School Levy	School Levy	Voactional School Levy
2005	0.99	0.30	4.65		5.94	8.74	58.66	58.66	1.93
2006	0.99	0.30	4.65		5.94	9.44	58.60	58.60	1.93
2007	0.99	0.30	4.65		5.94	10.95	58.60	58.60	1.93
2008	0.99	0.30	4.65		5.94	10.45	58.60	58.60	1.93
2009	0.99	0.30	4.65		5.94	9.75	56.59	56.59	1.93
2010	0.99	0.30	4.65		5.94	9.75	56.52	56.52	1.93
2011	0.99	0.30	4.65		5.94	9.72	56.60	56.60	1.93
2012	0.99	0.30	4.65		5.94	9.72	63.10	63.10	1.93
2013	0.99	0.30	4.65		5.94	9.72	62.80	62.80	1.93
2014	0.99	0.30	4.65		5.94	9.72	65.80	65.80	1.93

Source: County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Fairfield, Ohio
Principal Property Tax Payers
Current Year and Nine Years Ago (1)
Schedule 7

2014 (1)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$33,152,010	3.49%
Boymel Family	7,621,310	0.80%
Sisters of Mercy	6,777,750	0.71%
Fath Village Park Apartments	5,642,110	0.59%
BWIP Wookstock Glen Eagle	5,361,060	0.56%
Timber Hollow Spe	5,125,150	0.54%
Ohio Casualty Insurance	5,158,470	0.54%
Rajole LLC	4,890,590	0.52%
Camelot East Owners	4,791,740	0.50%
Penn Gardens Capital Partners	4,242,050	0.45%
	<u>\$82,762,240</u>	<u>8.70%</u>

2005 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas & Electric Company	\$20,629,170	2.06%
Cincinnati Financial Corp.	15,927,450	1.59%
Sam Boymel Trustee	9,142,420	0.91%
Ohio Casualty Insurance Co.	6,952,730	0.69%
Faith-Village Park Apartments	5,437,970	0.54%
Cincinnati Bell Telephone	5,309,690	0.53%
Alliance TP Portfollio LTD	5,243,500	0.52%
Teacher Retirement System	5,045,490	0.50%
TGM Camelot, Inc.	5,009,330	0.50%
Cincinnati-Oxford Assn.	4,655,000	0.46%
	<u>\$83,352,750</u>	<u>8.30%</u>

Source: County Auditor

(1) - Calendar Year 2014

(2) - Collection Year 2005

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$4,761,737	\$4,632,520	97.29%	\$98,853	\$4,731,373	99.36%
2006	5,598,860	5,256,965	93.89%	166,681	5,423,646	96.87%
2007	5,528,641	5,197,981	94.02%	155,648	5,353,629	96.83%
2008	5,435,599	4,973,339	91.50%	242,262	5,215,601	95.95%
2009	5,174,402	4,860,458	93.93%	173,884	5,034,342	97.29%
2010	5,184,904	4,963,811	95.74%	63,638	5,027,449	96.96%
2011	5,225,619	4,993,958	95.57%	175,800	5,169,758	98.93%
2012	5,153,091	4,977,999	96.60%	172,024	5,150,023	99.94%
2013	5,120,551	5,048,532	98.59%	153,557	5,120,551	100.00%
2014	5,245,233	5,081,457	96.88%	168,336	5,245,233	100.00%

Source: County Auditor

City of Fairfield, Ohio
Income Tax by Payer Type and Income Tax Rate
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Calendar Year	Income Tax Rate	Withholding	Business	Individuals	Total	Percentage of Total			
						Withholding	Business	Individuals	Total
2005	1.50%	\$16,077,087	\$2,481,067	\$2,861,497	\$21,419,651	74.7%	10.5%	14.8%	100.0%
2006	1.50%	16,835,490	2,453,588	2,884,054	22,173,132	75.9%	11.1%	13.0%	100.0%
2007	1.50%	18,435,779	3,030,632	2,650,151	24,116,562	76.4%	12.6%	11.0%	100.0%
2008	1.50%	17,973,429	3,554,484	2,646,073	24,173,986	74.4%	14.7%	10.9%	100.0%
2009	1.50%	17,079,959	2,409,419	2,772,187	22,261,565	76.7%	10.8%	12.5%	100.0%
2010	1.50%	16,998,101	3,732,095	2,865,283	23,595,479	72.0%	15.8%	12.1%	100.0%
2011	1.50%	17,706,498	3,315,767	2,951,183	23,973,448	73.9%	13.8%	12.3%	100.0%
2012	1.50%	18,548,641	2,974,498	3,045,095	24,568,234	75.5%	12.1%	12.4%	100.0%
2013	1.50%	19,206,364	3,668,794	3,073,729	25,948,887	74.0%	14.1%	11.9%	100.0%
2014	1.50%	20,354,912	3,117,922	3,059,354	26,532,188	76.7%	11.8%	11.5%	100.0%

Source: City Finance Department

City of Fairfield, Ohio
Principal Income Taxpayers
Current Year and Eight Years Ago (1)
(cash basis of accounting)
Schedule 10

<u>2014</u>	
<u>Name</u>	<u>Amount</u>
Cincinnati Insurance Corporation	\$3,720,610
Liberty Mutual Group	1,397,872
Mercy Regional Health System	1,333,228
Fairfield Board of Education	596,135
Express Scripts Services Corporation	542,915
Pacific Mfg Ohio Inc.	399,363
Koch Meat Co Inc.	320,087
City of Fairfield	320,087
Martin Brower Co. LLC	242,696
Devco Holdings Inc.	192,136
Total Collections - Principal Taxpayers	<u>\$9,065,129</u>
Total Collections	\$26,532,188
Combined percentage of total income taxes	34.2%
<u>2006</u>	
<u>Name</u>	<u>Amount</u>
Cincinnati Insurance Corporation	\$2,556,982
Ohio Casualty Group	1,132,127
Mercy Regional Health System	737,669
Fairfield Board of Education	632,349
Medco Health Solutions	510,152
City of Fairfield	259,417
Pacific Mfg Ohio Inc.	226,750
FedEx Freight East Inc.	182,398
PNG Telecommunications Inc.	159,146
Koch Meat Co Inc.	228,501
Total Collections - Principal Taxpayers	<u>\$6,625,491</u>
Total Collections	\$22,173,132
Combined percentage of total income taxes	29.9%

Source: City Finance Department

(1) - Current and seven years ago information only available

City of Fairfield, Ohio
Ratios of Outstanding Debt by Type
Last Ten Calendar Years
Schedule 11

Calendar Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases		Loans	General Obligation Bonds	Mortgage Revenue Bonds				
2005	\$14,275,000	\$25,000	\$65,591		\$9,321,282	\$1,975,000	\$3,505,000	\$42,166,873	0.38%	1,002	
2006	13,420,000	0	0		8,694,316	1,885,000	3,280,000	39,479,316	0.34%	938	
2007	12,530,000	0	0		8,041,787	1,795,000	3,045,000	35,911,787	0.30%	853	
2008	11,660,000	0	0		7,362,653	1,700,000	2,800,000	32,022,653	0.25%	761	
2009	16,840,566	0	348,831		6,655,829	3,843,489	0	29,588,715	0.23%	703	
2010	24,832,967	0	275,282		5,920,185	3,483,678	0	36,212,112	0.28%	852	
2011	23,323,331	0	197,735		5,154,545	3,113,867	0	35,539,478	0.26%	836	
2012	22,074,185	0	115,972		4,357,688	2,755,301	0	31,986,052	0.22%	752	
2013	20,427,762	0	29,765		3,528,338	2,328,129	0	26,313,994	0.18%	619	
2014	18,756,339	0	0		2,665,171	1,890,957	0	23,312,467	N/A	548	

Source: City Finance Department

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

N/A - Information not available

City of Fairfield, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Debt Service Fund Balance	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	19,780,000	1,237,711	18,542,289	0.66%	586
2006	18,585,000	1,309,857	17,275,143	0.57%	521
2007	17,370,000	1,374,488	15,995,512	0.53%	473
2008	16,160,000	1,410,471	14,749,529	0.49%	415
2009	20,684,055	1,420,961	19,263,094	0.63%	558
2010	28,316,645	1,430,938	26,885,707	0.96%	765
2011	26,437,198	1,464,498	24,972,700	0.89%	683
2012	24,462,392	1,558,685	22,948,959	0.87%	591
2013	22,755,891	1,774,344	20,981,547	0.80%	534
2014	20,647,296	1,615,879	19,031,417	0.72%	N/A

Source: City Finance Department

Notes: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements

City of Fairfield, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2014
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$48,789,110	12.90%	\$6,293,795
Hamilton County	72,460,000	0.00%	0
Fairfield City School District	82,948,665	69.30%	57,483,425
Lakota Local School District	148,145,000	0.39%	577,766
Northwest L School District	17,500,000	0.00%	0
Butler Technology & Career Center Jt. Voc. School District	9,575,000	11.83%	1,132,723
Subtotal Overlapping Debt	<u>379,417,775</u>		<u>65,487,709</u>
City of Fairfield - Direct Debt	<u>18,756,339</u>	100.00%	<u>18,756,339</u>
Total Direct and Overlapping Debt	<u>\$398,174,114</u>		<u>\$84,244,048</u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Fairfield, Ohio
 Legal Debt Margin Information
 Last Ten Calendar Years
 Schedule 14

Legal Debt Margin Calculation for Calendar Year 2014

Assessed Value	\$949,299,340	\$949,299,340	\$949,299,340
Statutory Legal Debt Limitation (1)	10.5%	10.5%	5.5%
Total Debt Limitation	99,676,431	99,676,431	52,211,464
Debt Applicable to Limit:			
Gross Indebtedness	20,647,296	20,647,296	20,647,296
Less: Bond Retirement Fund Balance	0	0	0
Total Net Debt Applicable to Limit	20,647,296	20,647,296	20,647,296
Legal Debt Margin	\$79,029,135	\$79,029,135	\$31,564,168

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Debt Limit (1)	\$103,507,593	\$110,732,142	\$110,297,598	\$109,307,721	\$109,783,908	\$105,276,746	\$100,225,906	\$100,225,906	\$99,612,200	\$99,676,431
Debt Limit (10.5%)										
Total Net Debt Applicable to Limit	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	26,437,198	24,462,392	22,755,891	20,647,296
Legal Debt Margin	\$70,727,593	\$79,947,142	\$82,427,598	\$84,647,721	\$87,199,853	\$75,260,101	\$73,788,708	\$75,763,514	\$76,856,309	\$79,029,135
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.7%	27.8%	25.3%	22.6%	20.6%	28.5%	26.4%	24.4%	22.8%	20.7%

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Unvoted Debt Limit (1)	\$54,218,263	\$58,002,551	\$57,774,932	\$57,256,426	\$57,505,857	\$55,144,962	\$52,499,284	\$52,499,284	\$52,177,819	\$52,211,464
Debt Limit (5.5%)										
Total Net Debt Applicable to Limit	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	26,437,198	24,462,392	22,755,891	20,647,296
Legal Debt Margin	\$21,438,263	\$27,217,551	\$29,904,932	\$32,596,426	\$34,921,802	\$25,128,317	\$26,062,086	\$28,036,892	\$29,421,928	\$31,564,168
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	60.5%	53.1%	48.2%	43.1%	39.3%	54.4%	50.4%	46.6%	43.6%	39.5%

Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.
 Total unvoted debt limit should not exceed 5.5% of net assessed property value.

City of Fairfield, Ohio
Pledged-Revenue Coverage
Last Ten Calendar Years
Schedule 15

Calendar Year	Special Assessment Bonds				Coverage
	Special Assessment Collections	Debt Service			
		Principal	Interest		
2005	\$161,327	\$25,000	\$1,906	6.00	
2006	76,373	0	0	N/A	
2007	165,387	0	0	N/A	
2008	142,506	0	0	N/A	
2009	37,251	0	0	N/A	
2010	25,576	0	0	N/A	
2011	274,721	0	0	N/A	
2012	506,161	0	0	N/A	
2013	369,777	0	0	N/A	
2014	676,237	0	0	N/A	

Source: County Auditor

Note: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

N/A - Information not available

City of Fairfield, Ohio
Demographic and Economic Statistics - Butler County
Last Ten Calendar Years
Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	42,097	\$11,080,584	\$31,662	4.70%
2006	42,097	11,707,628	33,130	4.50%
2007	42,097	12,114,458	33,848	5.10%
2008	42,097	12,811,630	35,511	6.20%
2009	42,097	12,653,202	34,512	9.30%
2010	42,510	12,959,978	35,138	8.80%
2011	42,510	13,538,158	36,590	7.90%
2012	42,510	14,398,043	38,852	6.00%
2013	42,510	14,592,549	39,304	7.10%
2014	42,510	N/A	N/A	4.50%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)
 - (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 Bureau of Employment Services

N/A - Information not available

City of Fairfield, Ohio
Major Employers (1)
Current Year and Six Years Ago (2)
Schedule 17

2014

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)
Miller Coors	Mfg	(4)	(5)
Pierre Foods	Mfg	(4)	(5)

2008

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Schools	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current year and five years ago information available. Information for nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

City of Fairfield, Ohio
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 18

Function/Program	Full-Time Equivalent Employees as of December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Administration	5	5	5	5	5	5	5	5	5	5
City Council	2	2	2	2	2	2	2	2	2	1
Engineering	7	7	7	7	7	6	6	6	6	6
Facility/Janitors	2	2	2	2	2	2	2	2	2	1
Municipal Court	18	19	21	21	21	21	21	20	19	20
Finance	21	20	20	21	23	22	21	21	21	21
Public Safety										
Police										
Officers	61	60	60	60	61	60	59	58	58	57
Non-Sworn	19	20	21	21	20	20	20	20	20	20
Fire	27	30	30	30	31	31	30	29	29	28
Leisure Time Activities										
Parks and recreation	23	22	22	22	22	21	20	20	20	20
Community Development										
Planning and Zoning	4	4	4	4	4	4	4	4	4	4
Building Inspection	8	9	9	10	10	8	8	8	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	21	20	22	21	21	21	21	21	19	18
Wastewater	21	22	22	22	22	21	22	21	21	22
Transportation and Street Repair	30	30	30	30	30	29	28	27	27	27
Total	270	273	278	279	282	274	270	265	262	259

Source: City Finance Department

City of Fairfield, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 19

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Community Environment										
Planning and Development										
Building permits issued	2,192	1,910	1,739	1,902	1,890	1,806	1,787	2,068	1,771	1,720
Building inspections conducted	4,895	4,030	3,491	4,196	2,841	3,250	2,665	2,904	2,820	2,542
Economic Development										
Value of Residential Construction	\$19,727,985	\$15,292,249	\$8,266,873	\$5,987,184	\$7,878,345	\$7,131,659	\$6,581,580	\$8,020,432	\$6,689,302	\$5,589,157
Value of Commercial Construction	\$45,152,931	\$68,682,460	\$31,323,193	\$40,943,871	\$10,637,756	\$18,436,106	\$16,158,312	\$22,505,453	\$27,617,808	\$25,374,335
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,126	1,050	1,163	932	1,060	1,108	948	1,063	928	959
Dollar Amount of Refunds	\$514,281	\$435,208	\$650,850	\$886,280	\$838,260	\$733,150	\$488,939	\$493,998	\$475,670	\$3,322,818
Average Refund Amount	\$457	\$414	\$560	\$951	\$791	\$662	\$516	\$465	\$513	\$3,465
Court										
Number of Criminal Cases	3,432	4,066	4,063	4,123	4,702	4,478	4,334	3,359	3,215	3,590
Number of Civil Cases	1,876	1,905	2,014	2,136	1,837	1,660	1,667	1,459	1,223	1,185
Construction Services										
Square Footage of Sidewalk Repairs	1,110	16,439	17,198	26,999	32,598	19,432	31,350	13,951	24,976	17,460
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	1,223	1,178	1,929	3,798	3,612	3,458	3,476	2,802	2,732	2,485
Juvenile	474	565	441	497	387	355	26	222	258	295
Citations	7,354	5,758	3,438	3,847	3,432	3,208	2,555	2,310	3,043	2,842
Accidents	1,470	1,514	1,403	1,628	1,283	1,207	1,232	1,237	1,144	1,322
Fire										
Emergency responses	3,818	4,247	5,257	3,929	4,355	4,676	5,378	5,465	5,437	5,870
Fire Calls	3,172	4,461	1,244	2,366	1,022	879	869	906	866	944
Inspections	3,560	3,600	2,841	2,032	2,100	2,124	2,136	1,526	1,855	1,934
Transportation										
Public Works										
Number of Street Miles Resurfaced	6	5	8	7	6	7	5	4	13	15
Tons of Street Salt Used	3,811	949	5,648	6,663	5,277	8,146	3,671	1,177	4,686	4,315
Cubic Yards of Leaves Picked-up	5,985	8,054	5,300	4,056	6,074	4,396	2,929	3,952	3,959	4,152

City of Fairfield, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 19 (Continued)

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Leisure										
Parks and Recreation										
Number of Theater Patrons	(a)	8,113	11,842	12,645	13,775	15,516	14,395	14,345	12,195	14,120
Number of Pool Admissions	40,139	42,614	43,124	42,204	41,747	34,741	46,505	34,838	24,090	24,641
Program Attendance:										
Youth/Preschool	9,259	15,245	18,968	33,535	26,464	19,710	18,861	21,796	20,073	20,805
Fitness	950	6,800	8,311	11,225	12,695	12,298	12,254	12,479	9,636	8,976
Senior Activities	420	5,500	9,883	11,152	12,957	14,521	13,559	16,323	18,047	17,898
Water										
Water main breaks	55	55	35	66	65	64	60	57	64	81
Average daily consumption (millions of gallons)	4.986	5.125	5.040	5.760	5.360	5.250	5.200	5.149	5.068	4.998
Peak daily consumption (millions of gallons)	5.739	6.076	6.546	7.883	8.208	7.749	7.407	8.282	7.746	6.978
Wastewater										
Average daily sewage treatment (millions of gallons)	5.605	5.977	5.308	5.900	5.679	5.084	4.934	4.955	5.323	5.182

Source: Various City Departments

(a) - Not available. The City's Community Arts Center Theater opened May, 2005.

(b) - Not available.

City of Fairfield, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Calendar Years
 Schedule 20

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Municipal Building (square footage)	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,281
Municipal Building Annex (square footage)	(a)	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,795	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033
Police Cruisers	21	26	26	26	26	26	27	24	24	21
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	5	5	5	5	5	4	4	4
Number of EMS Vehicles	4	4	4	4	4	4	4	4	4	4
Public Works										
Area of City (square miles)	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18
Streets (miles)	160.5	160.5	160.5	160.5	160.5	160.5	160.6	160.7	166.3	166.3
Highways (miles)	7.14	7.14	7.14	7.14	7.14	7.14	7.27	7.27	7.27	7.27
Streetlights	1,525	1,525	1,525	1,525	1,525	1,525	2,962	2,962	2,962	2,983
Traffic signals	53	55	58	58	58	58	60	61	61	63
Parks and Recreation										
Number of Parks	24	25	25	25	25	25	25	26	29	29
Area of Parks (acreage)	438.50	468.50	469	469	469	469	469	577	676	538
Playgrounds	12	12	12	12	12	12	12	15	14	21
Baseball/softball diamonds	16	16	16	16	16	16	16	16	18	21
Soccer/football fields	11	11	11	11	11	11	11	11	12	17
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Water Mains (miles)	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	169.00
Fire hydrants	2,301	2,326	2,326	2,384	2,384	2,384	1,965	1,965	1,966	2,000
Sewers										
Treatment Capacity (millions of gallons)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Sanitary Sewers (miles)	164.00	166.10	166.10	175.00	175.00	175.00	175.00	175.00	175.00	175.00

Source: Various City Departments

(a) - Not available. Building was renovated in 2006 to house the City's Income Tax Division and IT Division.