



City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2007

City of Fairfield, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Prepared By:
Department of Finance
Mary Hopton, Director

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Introductory Section

October 31, 2008

The Honorable Ronald A. D'Epifanio, 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, 2007 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 District's MD&A can be found immediately following the independent auditors' report.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a list of public officials, the government's service delivery chart and the Certificate of Achievement for Excellence in Financial Reporting (GFOA) award. The financial section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and the Notes to the Basic Financial Statements that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes selected economic data, financial trend and demographic information, generally presented on a multi-year basis.

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 of Fairfield is served by a City 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, recreational facilities and activities and economic development.

In addition, water, sanitary sewer and solid waste collection and disposal are provided under an Enterprise Fund concept with user charges set by City Council 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.

Economic development and growth continue to be the backbone for Fairfield. While many other communities are experiencing the loss of jobs, Fairfield has been fortunate to attract and retain desirable businesses and industries, which bring jobs into Fairfield.

Several employers continued on with expansion plans in 2007. During 2007, the Cincinnati Financial Corporation continued construction on a parking garage and a third office tower. This 435,000 sq. ft. office tower was completed in early 2008 and will bring over 550 new jobs to the City of Fairfield. In addition, Tedia Corporation expanded their existing operations. The City also welcomed Brown-Campbell Company and Iwata Bolt USA Inc. The City's Income Tax has remained stable over the last few years, and this trend is expected to gradually improve with the development of various commercial and industrial facilities in the City.

RELEVANT FINANCIAL POLICIES

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the City will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

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 2007:

- 1) In early 2007, the City of Fairfield demolished the Golf Course Clubhouse and began reconstruction of the new Clubhouse. The cost of this construction is estimated at \$2.2 million. The original clubhouse was several decades old and in need of repair. It became apparent when the City added the Community Arts Center in 2005 that the Golf Course Clubhouse building was not up to our new standards. City Council approved the funds in 2006 with completion in early 2008.
- 2) In 2007, the City of Fairfield has contracted with the firm of MSA to redesign and improve parts of the Municipal Building in phases. The first phase is a redesign of the Council Chambers to accommodate more seating and use the space more efficiently. This phase of the project is estimated to cost \$500,000 and construction will begin during the last quarter of 2008 and continue into 2009.
- 3) Reconstruction of LeSaint Drive was completed at a cost of \$1,365,764 with outside funding of \$630,000. The reconstruction involved drainage, concrete and asphalt improvements.
- 4) In 2007, the City has received an additional \$1.365 million grant from the Federal Emergency Management Agency (FEMA) for the purchase and demolition of 11 additional homes located along Pleasant Run Creek due to a flood event in 2003.

FUTURE PROJECTS

Accomplishments and significant capital projects to look forward to in 2008 include the following:

- 1) In 2007, Council approved improvements to a baseball park to honor Joe Nuxhall, former Cincinnati Reds pitcher and radio announcer. The improvements include a pavilion and a sculpture of Joe Nuxhall at a cost of approximately \$300,000. Construction is to begin in the fall of 2008.
- 2) The second phase of the Municipal Building improvements includes internal maintenance repairs, such as upgrading the HVAC system, computer and phone technology and replacement of a sanitary lateral. This phase is expected to cost \$256,000 and work will begin in 2009.
- 3) Improvement to State Route 4 at Crescentville will begin in 2008. The improvements are at the southern corridor of State Route 4 and will add additional lanes to accommodate traffic. The cost of this project is estimated at \$2.8 million with funding from the Ohio Department of Transportation for \$1.45 million and the City of Springdale for \$238,000.
- 4) The construction of a new Wastewater Biosolids storage facility will begin in 2008 at an estimated cost of \$300,000. With this new facility, the biosolids storage time will increase from 3 months to 6 months.

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 fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 2007.

CASH MANAGEMENT

Excluding investments held by trustees, cash temporarily idle during the year 2007 was invested in State Treasury Asset Reserves or Repurchase Agreements (collateralized by U.S. Treasury Bills). As of year-end, the City has invested less than 1% in Repurchase Agreements, 1% in U.S. Treasury Notes, 31% in Federal Home Loan Bank, 17% in Fannie Mae, 6% in Federal Farm Credit Bank, 9% in Federal Home Loan Mortgage and 36% in STAROhio. Yields on these investment instruments ranged from 4.06% to 5.45% the amount of interest earned during the year was \$2,361,437 as compared to \$2,112,069 earned in 2006.

DEBT ADMINISTRATION

The ratio of net debt to assessed valuation and net debt per capita is useful indications of the City of Fairfield's debt position to all interested parties. The data for the City of Fairfield as of December 31, 2007 was as follows:

2007 Population (Estimated)	<u>42,386</u>
Assessed Valuation	<u>\$1,050,453,316</u>
Total General Obligation (G.O.) Debt	\$24,825,000
Less Amount Available in Debt Service Fund	<u>124,376</u>
Net General Obligation Debt	<u>\$24,700,624</u>
Ratio of Net G.O. Debt to Assessed Valuation	2.35%
Debt per Capita	<u>\$582.75</u>

The City's total debt at the close of 2007 included the above mentioned \$24,825,000 in net General Obligation debt and \$12,881,787 in enterprise debt. The City's General Obligation bonds continue to have an excellent rating, which they have carried for the past several years. In 2003, Moody's Investor's Service upgraded the City's bonds to carry an "Aa2" credit rating.

CITY INCOME TAX

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. It also applies to net income of business organizations derived from business activities conducted in the City. In 2003, the citizens approved an income tax allocation designed to increase the City's fiscal flexibility. The tax rate remains unchanged at 1.5%, the new allocation credits 1.1% of the tax revenues into the General Fund, .2% into the Street Improvement Fund and .2% into the Capital Improvement Fund. The new allocation of income tax revenues was effective January 1, 2004.

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

	2007	2006
Allocated to General Fund	\$17,685,355	\$16,355,213
Allocated to .2% Street Improvement Fund	3,215,519	2,973,675
Allocated to .2% Capital Improvement Fund	3,215,519	2,973,675
Gross Revenues	<u>\$24,116,393</u>	<u>\$22,302,563</u>

RISK MANAGEMENT

By statute and court decisions, Ohio retains only limited tort immunity for local government. In addition to potential tort liabilities, the City is liable for employees' Workers' Compensation claims, plus the risk of casualty loss to real and personal property owned by the City, and must provide faithful performance bonds for certain City officials. The City must also manage the risk of dental expense claims by employees eligible for health care coverage as a fringe benefit.

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The accounting firm of Clark, Schaefer and Hackett 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

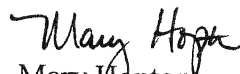
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairfield for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2006. In order to be awarded a Certificate 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 the 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 as prevails in the City of Fairfield.

Respectfully submitted,
CITY OF FAIRFIELD


Arthur E. Pizzano
City Manager


Mary Hopton
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Ron D'Epifanio

COUNCIL MEMBERS

Vice Mayor – Marty Judd

Mike Snyder
Steve Miller
Tim Meyers

Mitch Rhodus
Tim Abbott
Mike Oler

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

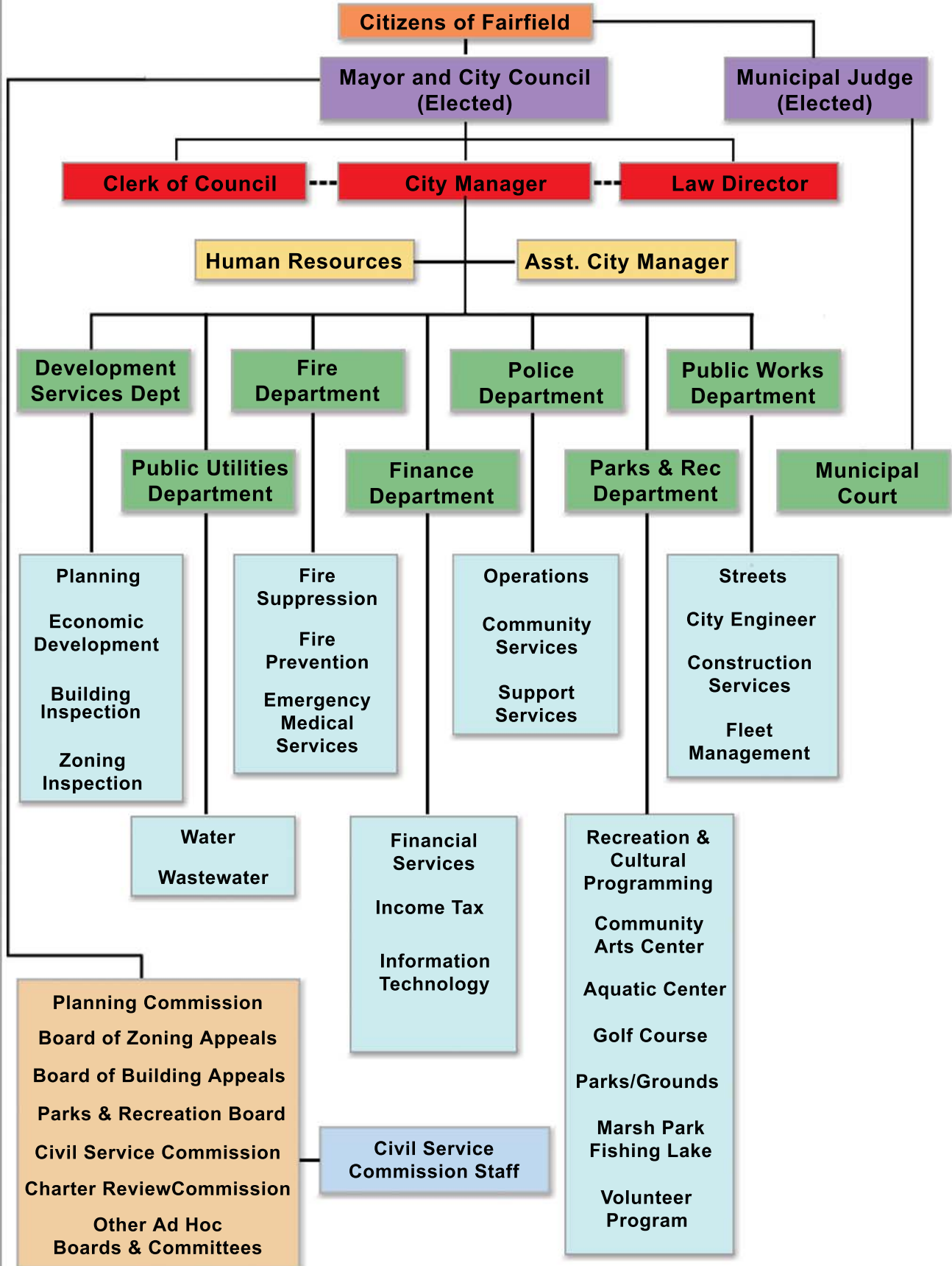
Arthur E. Pizzano
Dennis R. Stuckey
Mary Hopton
John H. Clemmons
David A. Bock
James Bell
J. Dwight Culbertson
Timothy Bachman
Michael Dickey
Donald Bennett
Dena Morsch

DEPARTMENT OF FINANCE

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

Finance Director
Accounting Supervisor
Income Tax Administrator
Information Technology Manager
Utility Billing & Collection Manager
Payroll Administrator

City of Fairfield, OH Service Delivery Chart



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, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



Financial Section

INDEPENDENT AUDITORS' REPORT

City Council
City of Fairfield, Ohio:

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, Ohio (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 12 and 56 through 59, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fairfield, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Middletown, Ohio
October 30, 2008

City of Fairfield, Ohio

Management's Discussion and Analysis For The Year Ended December 31, 2007 (Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2007. 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 assets increased \$3,958,150. Net assets of governmental activities increased \$4,037,619, net assets of business-type activities decreased by \$79,469.
- The general fund reported a fund balance of \$13,692,773.
- Business-type operations reflected operating loss of \$695,470.
- The City issued \$6 million in General Obligation Bond Anticipation Notes for the City's new Justice Center, \$2 million in General Obligation Bond Anticipation Notes for golf course improvements and \$2.5 million in General Obligation Bond Anticipation Notes for improvements to the wastewater treatment plant.
- The City had \$38,423,972 in expenses relating to governmental activities; program revenues offset \$8,499,676 of these expenses. General revenues of \$33,961,915 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 Assets 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 and liabilities 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 assets and changes to those assets. 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 well being. Some of these factors include the City's tax base and the condition of capital assets.

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, .2% Street Improvement, .2% Capital Improvement, Downtown Development, 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 Assets 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.

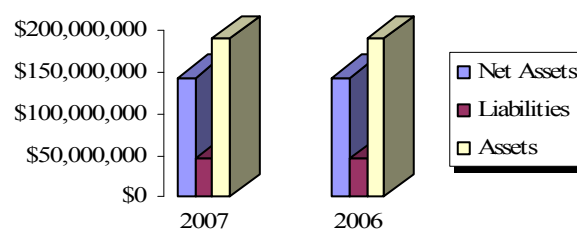
Fiduciary Funds - The City is the fiscal agent for the Municipal Court and Warranty Bonds. The City's fiduciary responsibility is reported in the Statement of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these balances from the City's other financial statements 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.

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current Assets	\$42,825,881	\$41,869,545	\$15,545,372	\$15,756,866	\$58,371,253	\$57,626,411
Capital Assets, Net	81,343,629	80,222,463	50,203,760	51,502,976	131,547,389	131,725,439
Total Assets	124,169,510	122,092,008	65,749,132	67,259,842	189,918,642	189,351,850
Liabilities						
Long-Term Liabilities	15,042,096	15,800,552	13,439,624	14,382,665	28,481,720	30,183,217
Other Liabilities	15,539,288	16,740,949	3,048,848	3,537,048	18,588,136	20,277,997
Total Liabilities	30,581,384	32,541,501	16,488,472	17,919,713	47,069,856	50,461,214
Net Assets						
Invested in Capital						
Assets Net of Debt	60,813,629	57,602,463	34,821,973	34,692,293	95,635,602	92,294,756
Restricted	10,331,713	11,245,048	1,207,193	1,193,743	11,538,906	12,438,791
Unrestricted	22,442,784	20,702,996	13,231,494	13,454,093	35,674,278	34,157,089
Total Net Assets	\$93,588,126	\$89,550,507	\$49,260,660	\$49,340,129	\$142,848,786	\$138,890,636



Total net assets of the City as a whole increased \$3,958,150. Net assets of the City's governmental activities increased \$4,037,619, while the net assets of the City's business-type activities decreased \$79,469 from 2006. The largest portion of the City's net assets 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 assets balance of \$35,674,278 that may be used to meet the government's ongoing obligations to citizens and creditors.

The City's Capital Assets, net remained relatively consistent from 2006 to 2007. The decrease in long term liabilities represents the City making scheduled payments on its long term debt obligations.

Table 2 shows the changes in net assets at year-end and revenue and expense comparisons to 2006.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$4,337,488	\$4,165,936	\$11,646,576	\$11,174,142	\$15,984,064	\$15,340,078
Operating Grants, Contributions	2,751,313	3,356,835	0	0	2,751,313	3,356,835
Capital Grants and Contributions	1,410,875	781,952	0	0	1,410,875	781,952
Total Program Revenues	8,499,676	8,304,723	11,646,576	11,174,142	20,146,252	19,478,865
General Revenue:						
Income Taxes	23,491,536	22,302,563	0	0	23,491,536	22,302,563
Property Taxes	6,076,079	4,972,546	0	0	6,076,079	4,972,546
Grants and Entitlements	3,111,723	3,197,933	0	0	3,111,723	3,197,933
Investment Earnings	1,676,017	1,464,849	685,420	647,220	2,361,437	2,112,069
Other	246,560	1,219,247	275,158	37,254	521,718	1,256,501
Total General Revenues	34,601,915	33,157,138	960,578	684,474	35,562,493	33,841,612
Total Revenues	43,101,591	41,461,861	12,607,154	11,858,616	55,708,745	53,320,477
Program Expenses:						
General Government	7,239,804	7,817,572	0	0	7,239,804	7,817,572
Public Safety	15,016,636	14,603,318	0	0	15,016,636	14,603,318
Leisure Time Activities	2,866,626	2,732,748	0	0	2,866,626	2,732,748
Community Development	1,617,775	1,232,188	0	0	1,617,775	1,232,188
Basic Utility Service	461,934	508,183	0	0	461,934	508,183
Transportation and Street Repair	10,279,823	8,377,486	0	0	10,279,823	8,377,486
Public Health and Welfare	24,166	24,363	0	0	24,166	24,363
Interest and Fiscal Charges	917,208	870,047	0	0	917,208	870,047
Water Utility	0	0	4,269,598	3,696,111	4,269,598	3,696,111
Sewer Utility	0	0	5,113,311	4,710,334	5,113,311	4,710,334
Solid Waste	0	0	2,007,021	1,851,371	2,007,021	1,851,371
Recreation	0	0	1,936,693	1,897,000	1,936,693	1,897,000
Total Program Expenses	38,423,972	36,165,905	13,326,623	12,154,816	51,750,595	48,320,721
Increase (Decrease) in Net Assets before Transfers	4,677,619	5,295,956	(719,469)	(296,200)	3,958,150	4,999,756
Transfers - Internal Activities	(640,000)	(550,000)	640,000	550,000	0	0
Change in Net Assets	4,037,619	4,745,956	(79,469)	253,800	3,958,150	4,999,756
Beginning Net Assets	89,550,507	84,804,551	49,340,129	49,086,329	138,890,636	133,890,880
Ending Net Assets	\$93,588,126	\$89,550,507	\$49,260,660	\$49,340,129	\$142,848,786	\$138,890,636

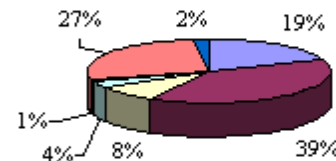
Governmental Activities

The City had an increase in Governmental Activities capital grants and contributions due to an increase in grant monies received by the City for capital projects. The City also had an increase in investment earnings from 2006 due to the City's continuing effort to get the best return on investment. Total expenses increased a modest 6% which was mostly due to general inflationary costs and the City increased efforts to maintain and repair the streets through-out the City.

Council is active in promoting economic growth in Fairfield in 2007, as this economic growth does increase the earnings tax base as well. Fairfield has continued attracting employers to our city in the year 2007, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.50% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent more than 69% of the City's governmental activities general revenues. During 2007, when most communities were faced with budget cuts due to the economic downturn of the economy, the City's 2007 earnings tax revenues increased approximately 5% over 2006 tax revenues.

Governmental activities program expenses for 2007 were as follows:

<u>Program Expenses</u>	<u>Percent of Total</u>
General Government	19%
Public Safety	39%
Leisure Time Activities	8%
Community Development	4%
Basic Utility Service	1%
Transportation and Street Repair	27%
Interest and Fiscal Charges	2%
Total	<u>100%</u>



General Government includes legislative and executive as well as judicial expenses. The level of services provided to City residents continues to be very high. 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. 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 Police 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.

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations.

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 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.

The City is currently petitioning the state of Ohio to have the capacity of the lime/soda ash plant re-rated to a high capacity. 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. The re-rating initiative was completed in 2003 and should increase the design capacity of the lime/soda ash plant 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 water 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 framers 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 stormwater 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 contract with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2002, Council authorized a three-year contract with two renewable years with Rumpke for Fairfield residents' waste and recycling collection. According to that contract the current rate of \$9.75 per month for curbside service and \$5.50 per month for dumpster service is scheduled for annual increases which will result in the curbside rate to \$12.00 and the dumpster rate to be \$6.80 in the year 2007.

The City charges a portion of the waste collection contract back to the residential customers of the service while the City subsidizes the difference with an operating transfer from the General Fund. In 2002, City Council passed an ordinance that structured user charges at \$8.10 per month for curbside service and \$5.50 per month for dumpster service. Annual increases were scheduled through the year 2007.

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. 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 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, grass beach, 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 five major governmental funds: the General Fund, Fire Levy Fund, .2% Street Improvement Fund, .2% Capital Improvement Fund and Downtown Development Fund. Assets of the general fund comprised \$18,728,518 (43%), the fire levy fund comprised \$5,578,368 (13%), the .2% street improvement fund comprised \$8,006,936 (18%), the .2% capital improvement fund comprised \$4,679,680 (11%) and the downtown development fund comprised \$327,202 (1%) of the total \$43,644,780 governmental funds assets.

General Fund: Fund balance at December 31, 2007 was \$13,692,773 an increase in fund balance of \$3,107,697 from 2006. The general fund had an increase in taxes revenue due to an increase in the amount of income taxes revenues collected from 2006 to 2007. The general fund also had an increase in intergovernmental revenue due to an increase in inheritance (estate) tax and increase in grant monies received from 2006.

Fire Levy Fund: Fund balance at December 31, 2007 was \$161,219 an increase in fund balance of \$132,768 from 2006. The fire levy fund had an increase in fund balance due to an increase in taxes revenue due to an increase in property taxes revenue received and monies received for services rendered.

.2% Street Improvement Fund: Fund balance at December 31, 2007 was \$7,540,279 a decrease in fund balance of \$733,733 from 2006. The .2% street improvement fund had an decrease in fund balance primarily due to a decrease in an assortment of miscellaneous revenues received in 2006.

.2% Capital Improvement Fund: Fund balance at December 31, 2007 was \$1,792,172 a decrease in fund balance of \$1,133,692 from 2006. The .2% capital improvement fund had a decrease in fund balance primarily due to an increase in capital outlay due to various improvements to the City.

Downtown Development Fund: Fund balance at December 31, 2007 was (\$5,694,591) an increase in fund balance of \$966,130 from 2006. The downtown development fund saw an increase from 2006 in fund balance due to a transfer in from the general fund.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the function 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 was \$22,190,095 and the final actual expenditures was \$20,818,297. The difference was \$1,371,798. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following reasons: The City overestimated the general government and public safety for 2007. As the City completed the year, its General Fund balance reported an actual fund balance of \$12,726,512, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$14,223,323	\$13,064,894	\$1,497,829	\$1,497,829	\$15,721,152	\$14,562,723
Construction in Progress	2,640,048	206,821	168,537	915,640	2,808,585	1,122,461
Buildings and Improvements	42,853,806	42,403,783	46,746,235	46,432,493	89,600,041	88,836,276
Equipment	14,261,795	13,444,865	2,770,643	2,671,959	17,032,438	16,116,824
Infrastructure	74,012,437	73,692,942	31,102,769	30,269,224	105,115,206	103,962,166
Accumulated Depreciation	(66,647,780)	(62,590,842)	(32,082,253)	(30,284,169)	(98,730,033)	(92,875,011)
Total Net Capital Assets	<u>\$81,343,629</u>	<u>\$80,222,463</u>	<u>\$50,203,760</u>	<u>\$51,502,976</u>	<u>\$131,547,389</u>	<u>\$131,725,439</u>

Capital Assets, net of accumulated depreciation, remained relatively consistent from 2006 to 2007.

See Note 5 to the notes to the basic financial statements for further details on the City's capital assets.

Debt

The City had \$ 12,530,000 in unvoted general obligation bonds for Governmental Activities and \$12,881,787 in Business-Type Activities long-term debt.

Table 4
Outstanding Debt at Year End

	2007	2006
Governmental Activities		
Justice Center Bond	\$0	\$50,000
Fire Station Bond	245,000	315,000
Community Arts Center Bond	6,330,000	6,630,000
Various Purpose General Obligation Bonds	5,955,000	6,425,000
Total	<u>\$12,530,000</u>	<u>\$13,420,000</u>
Business Type Activities		
OWDA Wastewater Improvement Loan	8,041,787	8,694,316
Various Purpose Recreation Bonds	1,795,000	1,885,000
Water Refunding Mortgage Revenue Bond	3,045,000	3,280,000
Total	<u>\$12,881,787</u>	<u>\$13,859,316</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.

See Note 8 to the notes to the basic financial statements for further details on the City's long-term debt.

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.

City of Fairfield
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$28,985,085	\$12,984,939	\$41,970,024
Restricted Cash and Investments	0	1,207,193	1,207,193
Receivables:			
Taxes	11,203,802	0	11,203,802
Accounts	25,018	973,145	998,163
Interest	225,500	100,108	325,608
Intergovernmental	2,386,476	0	2,386,476
Inventory	0	247,261	247,261
Deferred Bond Issuance Costs	0	32,726	32,726
Nondepreciable Capital Assets	16,863,371	1,666,366	18,529,737
Depreciable Capital Assets, Net	64,480,258	48,537,394	113,017,652
Total Assets	124,169,510	65,749,132	189,918,642
Liabilities:			
Accounts Payable	895,421	110,575	1,005,996
Accrued Wages and Benefits	1,195,052	179,458	1,374,510
Accrued Interest Payable	56,479	52,814	109,293
Unearned Revenue	5,377,298	0	5,377,298
Other Liabilities	0	132,277	132,277
Claims Payable	15,038	0	15,038
Due to Other Governments	0	73,724	73,724
Bond Anticipated Notes Payable	8,000,000	2,500,000	10,500,000
Long-Term Liabilities:			
Due Within One Year	991,909	1,093,587	2,085,496
Due In More Than One Year	14,050,187	12,346,037	26,396,224
Total Liabilities	30,581,384	16,488,472	47,069,856
Net Assets:			
Invested in Capital Assets, Net of Related Debt	60,813,629	34,821,973	95,635,602
Restricted for:			
Special Revenue	4,653,224	0	4,653,224
Debt Service	1,465,543	1,207,193	2,672,736
Capital Projects	4,212,946	0	4,212,946
Unrestricted	22,442,784	13,231,494	35,674,278
Total Net Assets	\$93,588,126	\$49,260,660	\$142,848,786

See accompanying notes to the basic financial statements.

City of Fairfield
Statement of Activities
For the Fiscal Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$7,239,804	\$1,253,147	\$0	\$0
Public Safety	15,016,636	1,790,379	376,803	0
Leisure Time Activities	2,866,626	218,759	0	0
Community Development	1,617,775	341,793	0	934,376
Basic Utility Service	461,934	733,410	0	0
Transportation and Street Repair	10,279,823	0	2,374,510	476,499
Public Health and Welfare	24,166	0	0	0
Interest and Fiscal Charges	917,208	0	0	0
Total Governmental Activities	38,423,972	4,337,488	2,751,313	1,410,875
Business-Type Activities:				
Water Utility	4,269,598	3,813,675	0	0
Sewer Utility	5,113,311	4,569,801	0	0
Solid Waste	2,007,021	1,567,007	0	0
Recreation	1,936,693	1,696,093	0	0
Total Business-Type Activities	13,326,623	11,646,576	0	0
Totals	\$51,750,595	\$15,984,064	\$2,751,313	\$1,410,875

General Revenues:
Income Taxes
Property Taxes Levied for:
General Purposes
Special Revenue Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Refunds and Reimbursements
Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$5,986,657)	\$0	(\$5,986,657)
(12,849,454)	0	(12,849,454)
(2,647,867)	0	(2,647,867)
(341,606)	0	(341,606)
271,476	0	271,476
(7,428,814)	0	(7,428,814)
(24,166)	0	(24,166)
(917,208)	0	(917,208)
(29,924,296)	0	(29,924,296)
0	(455,923)	(455,923)
0	(543,510)	(543,510)
0	(440,014)	(440,014)
0	(240,600)	(240,600)
0	(1,680,047)	(1,680,047)
(\$29,924,296)	(\$1,680,047)	(\$31,604,343)
23,491,536	0	23,491,536
1,560,761	0	1,560,761
4,515,318	0	4,515,318
3,111,723	0	3,111,723
1,676,017	685,420	2,361,437
90,431	0	90,431
156,129	275,158	431,287
(640,000)	640,000	0
33,961,915	1,600,578	35,562,493
4,037,619	(79,469)	3,958,150
89,550,507	49,340,129	138,890,636
\$93,588,126	\$49,260,660	\$142,848,786

City of Fairfield
Balance Sheet
Governmental Funds
December 31, 2007

	General	Fire Levy	.2% Street Improvement	.2% Capital Improvement
Assets:				
Equity in Pooled Cash and Investments	\$12,112,144	\$534,599	\$7,293,057	\$3,983,505
Receivables:				
Taxes	5,056,361	4,868,871	639,285	639,285
Accounts	25,018	0	0	0
Interest	94,016	0	74,594	56,890
Intergovernmental	555,939	174,898	0	0
Interfund	885,040	0	0	0
Total Assets	<u>18,728,518</u>	<u>5,578,368</u>	<u>8,006,936</u>	<u>4,679,680</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	231,019	21,079	85,358	491,643
Accrued Wages and Benefits	741,022	352,301	0	0
Compensated Absences	63,982	0	0	0
Accrued Interest Payable	0	0	0	5,333
Interfund Payable	0	0	0	0
Deferred Revenue	3,999,722	5,043,769	381,299	390,532
Bond Anticipated Notes Payable	0	0	0	2,000,000
Total Liabilities	<u>5,035,745</u>	<u>5,417,149</u>	<u>466,657</u>	<u>2,887,508</u>
Fund Balances:				
Reserved for Encumbrances	37,690	5,577	1,134,291	709,610
Unreserved, Undesignated, Reported in:				
General Fund	13,655,083	0	0	0
Special Revenue Funds	0	155,642	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	6,405,988	1,082,562
Total Fund Balances	<u>13,692,773</u>	<u>161,219</u>	<u>7,540,279</u>	<u>1,792,172</u>
Total Liabilities and Fund Balances	<u>\$18,728,518</u>	<u>\$5,578,368</u>	<u>\$8,006,936</u>	<u>\$4,679,680</u>

See accompanying notes to the basic financial statements.

<u>Downtown Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$327,202	\$4,668,437	\$28,918,944
0	0	11,203,802
0	0	25,018
0	0	225,500
0	1,655,639	2,386,476
0	0	885,040
<u>327,202</u>	<u>6,324,076</u>	<u>43,644,780</u>
3,968	61,820	894,887
0	81,888	1,175,211
0	0	63,982
17,825	0	23,158
0	885,040	885,040
0	1,489,783	11,305,105
6,000,000	0	8,000,000
<u>6,021,793</u>	<u>2,518,531</u>	<u>22,347,383</u>
6,915	749,964	2,644,047
0	0	13,655,083
0	3,197,654	3,353,296
0	1,498,864	1,498,864
(5,701,506)	(1,640,937)	146,107
<u>(5,694,591)</u>	<u>3,805,545</u>	<u>21,297,397</u>
<u>\$327,202</u>	<u>\$6,324,076</u>	<u>\$43,644,780</u>

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City of Fairfield
Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities
December 31, 2007

Total Governmental Fund Balance	\$21,297,397
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Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,343,629
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Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds.

Income Taxes	2,502,315	
Delinquent Property Taxes	1,031,868	
Interest	198,563	
Intergovernmental	<u>2,195,061</u>	
		5,927,807

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 assets.	(16,686)
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In the statement of net assets 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.	(33,321)
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Some liabilities reported in the statement of net assets do not
require the use of current financial resources and therefore
are not reported as liabilities in governmental funds.

Compensated Absences	<u>(2,400,700)</u>	
		(2,400,700)

Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(12,530,000)</u>
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Net Assets of Governmental Activities	<u>\$93,588,126</u>
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See accompanying notes to the basic financial statements.

City of Fairfield
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2007

	General	Fire Levy	.2% Street Improvement	.2% Capital Improvement
Revenues:				
Taxes	\$18,610,288	\$3,942,667	\$3,137,625	\$3,137,625
Fines, Licenses & Permits	1,393,124	5,275	0	0
Charges for Services	1,026,391	936,229	0	0
Investment Earnings	729,058	5,311	417,542	236,872
Intergovernmental	3,417,475	342,627	0	134,807
Special Assessments	35,121	0	0	0
Other Revenues	209,701	6,545	39,996	26,350
Total Revenues	25,421,158	5,238,654	3,595,163	3,535,654
Expenditures:				
Current:				
General Government	6,424,045	0	0	0
Public Safety	9,005,354	5,088,368	0	0
Leisure Time Activities	2,215,832	0	0	0
Community Development	1,285,742	0	0	0
Basic Utility Service	461,934	0	0	0
Transportation and Street Repair	0	0	3,504,688	918,492
Public Health and Welfare	24,166	0	0	0
Capital Outlay	515,770	19,218	424,808	2,823,178
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	93,089
Total Expenditures	19,932,843	5,107,586	3,929,496	3,834,759
Excess of Revenues Over (Under) Expenditures	5,488,315	131,068	(334,333)	(299,105)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	9,202	1,700	600	500
Transfers In	0	0	0	287,756
Transfers (Out)	(2,389,820)	0	(400,000)	(1,122,843)
Total Other Financing Sources (Uses)	(2,380,618)	1,700	(399,400)	(834,587)
Net Change in Fund Balance	3,107,697	132,768	(733,733)	(1,133,692)
Fund Balance Beginning of Year	10,585,076	28,451	8,274,012	2,925,864
Fund Balance End of Year	\$13,692,773	\$161,219	\$7,540,279	\$1,792,172

See accompanying notes to the basic financial statements.

Downtown Development	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$28,828,205
0	738,165	2,136,564
0	0	1,962,620
38,718	207,944	1,635,445
28,980	2,843,907	6,767,796
0	218,642	253,763
14,791	15,411	312,794
82,489	4,024,069	41,897,187
0	272,967	6,697,012
0	551	14,094,273
0	0	2,215,832
0	287,303	1,573,045
0	0	461,934
26,379	3,496,511	7,946,070
0	0	24,166
72,155	1,508,069	5,363,198
0	890,000	890,000
315,325	546,514	954,928
413,859	7,001,915	40,220,458
(331,370)	(2,977,846)	1,676,729
0	0	12,002
1,297,500	3,233,511	4,818,767
0	(1,735,924)	(5,648,587)
1,297,500	1,497,587	(817,818)
966,130	(1,480,259)	858,911
(6,660,721)	5,285,804	20,438,486
(\$5,694,591)	\$3,805,545	\$21,297,397

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City of Fairfield
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, 2007

Net Change in Fund Balance - Total Governmental Funds \$858,911

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	5,363,198	
Depreciation Expense	(4,240,178)	
		1,123,020

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. (1,854)

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

Income Taxes	(40,895)	
Delinquent Property Taxes	771,700	
Interest	40,572	
Intergovernmental	422,879	
		1,194,256

Repayment of bond and capital lease principal is an expenditure
in the governmental funds, but the repayment reduces long-term
liabilities in the statement of net assets. 890,000

In the statement of activities interest expense is accrued when incurred,
whereas in governmental funds an interest expenditure is reported
when due. 37,720

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	(112,211)	
		(112,211)

The internal service fund used by management to charge back costs
to individual funds is not reported in the district-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. 47,777

Change in Net Assets of Governmental Activities	\$4,037,619
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See accompanying notes to the basic financial statements.

City of Fairfield
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Current Assets:				
Equity in Pooled Cash and Investments	\$9,304,216	\$3,378,334	\$17,359	\$285,030
Restricted Cash and Investments	1,207,193	0	0	0
Receivables:				
Accounts	255,590	542,872	174,683	0
Interest	69,592	30,516	0	0
Inventory	233,696	0	0	13,565
Total Current Assets	11,070,287	3,951,722	192,042	298,595
Noncurrent Assets:				
Deferred Bond Issuance Costs	32,726	0	0	0
Nondepreciable Capital Assets	825,305	334,061	0	507,000
Depreciable Capital Assets, Net	15,633,140	29,008,410	0	3,895,844
Total Noncurrent Assets	16,491,171	29,342,471	0	4,402,844
Total Assets	27,561,458	33,294,193	192,042	4,701,439
Liabilities:				
Current Liabilities:				
Accounts Payable	63,233	37,962	741	8,639
Accrued Wages and Benefits	69,539	77,548	632	31,739
Compensated Absences	38,401	0	0	36,052
Accrued Interest Payable	12,155	34,167	0	6,492
Other Liabilities	132,277	0	0	0
Claims Payable	0	0	0	0
Due to Other Governments	0	73,724	0	0
Bond Anticipated Notes Payable	0	2,500,000	0	0
Long-Term Liabilities Due Within One Year	245,000	679,134	0	95,000
Total Current Liabilities	560,605	3,402,535	1,373	177,922
Long-Term Liabilities:				
Compensated Absences	210,704	187,052	599	85,029
Bonds, Notes & Loans Payable	2,800,000	7,362,653	0	1,700,000
Total Noncurrent Liabilities	3,010,704	7,549,705	599	1,785,029
Total Liabilities	3,571,309	10,952,240	1,972	1,962,951
Net Assets:				
Invested in Capital Assets, Net of Related Debt	13,413,445	18,800,684	0	2,607,844
Restricted for:				
Debt Service	1,207,193	0	0	0
Unrestricted	9,369,511	3,541,269	190,070	130,644
Total Net Assets	\$23,990,149	\$22,341,953	\$190,070	\$2,738,488

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$12,984,939	\$66,141
1,207,193	0
973,145	0
100,108	0
247,261	0
15,512,646	66,141
32,726	0
1,666,366	0
48,537,394	0
50,236,486	0
65,749,132	66,141
110,575	534
179,458	19,841
74,453	0
52,814	0
132,277	0
0	15,038
73,724	0
2,500,000	0
1,019,134	0
4,142,435	35,413
483,384	47,414
11,862,653	0
12,346,037	47,414
16,488,472	82,827
34,821,973	0
1,207,193	0
13,231,494	(16,686)
\$49,260,660	(\$16,686)

City of Fairfield
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Operating Revenues:				
Fines, Licenses & Permits	\$30,266	\$41,574	\$0	\$0
Charges for Services	3,783,409	4,528,227	1,567,007	1,696,093
Other Revenues	212,783	45,895	14,328	2,152
Total Operating Revenues	4,026,458	4,615,696	1,581,335	1,698,245
Operating Expenses:				
Personal Services	1,642,614	2,004,037	22,712	841,149
Contractual Services	1,066,281	829,723	1,984,111	575,154
Materials and Supplies	818,072	693,360	198	248,691
Depreciation	526,935	1,135,123	0	187,915
Other Expenses	41,129	0	0	0
Total Operating Expenses	4,095,031	4,662,243	2,007,021	1,852,909
Operating Income (Loss)	(68,573)	(46,547)	(425,686)	(154,664)
Non-Operating Revenues (Expenses):				
Investment Earnings	489,017	188,756	0	7,647
Interest (Expense)	(174,567)	(452,268)	0	(83,784)
Gain (Loss) on Disposal of Capital Assets	0	1,200	0	0
Total Non-Operating Revenues (Expenses)	314,450	(262,312)	0	(76,137)
Income (Loss) Before Contributions and Transfers	245,877	(308,859)	(425,686)	(230,801)
Transfers In	0	0	450,000	190,000
Change in Net Assets	245,877	(308,859)	24,314	(40,801)
Net Assets Beginning of Year	23,744,272	22,650,812	165,756	2,779,289
Net Assets End of Year	\$23,990,149	\$22,341,953	\$190,070	\$2,738,488

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$71,840	\$0
11,574,736	3,569,390
275,158	273
11,921,734	3,569,663
4,510,512	450,642
4,455,269	3,010,834
1,760,321	252,886
1,849,973	0
41,129	0
12,617,204	3,714,362
(695,470)	(144,699)
685,420	2,656
(710,619)	0
1,200	0
(23,999)	2,656
(719,469)	(142,043)
640,000	189,820
(79,469)	47,777
49,340,129	(64,463)
\$49,260,660	(\$16,686)

City of Fairfield
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,009,746	\$4,532,070	\$1,570,039	\$1,698,245
Cash Payments to Employees	(1,660,271)	(1,988,816)	(22,914)	(829,259)
Cash Payments to Suppliers	(1,933,633)	(1,503,820)	(1,984,208)	(808,259)
Net Cash Provided (Used) by Operating Activities	415,842	1,039,434	(437,083)	60,727
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	450,000	190,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	450,000	190,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(282,914)	(257,689)	0	(10,154)
Debt Proceeds	0	2,500,000	0	0
Debt Principal Payments	(235,000)	(3,652,529)	0	(90,000)
Debt Interest Payments	(159,598)	(457,564)	0	(83,968)
Proceeds from the Sale of Capital Assets	0	1,200	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(677,512)	(1,866,582)	0	(184,122)
Cash Flows from Investing Activities:				
Earnings on Investments	486,510	173,774	0	7,647
Net Cash Provided (Used) by Cash Flows from Investing Activities	486,510	173,774	0	7,647
Net Increase (Decrease) in Cash and Cash Equivalents	224,840	(653,374)	12,917	74,252
Cash and Cash Equivalents Beginning of Year	10,286,569	4,031,708	4,442	210,778
Cash and Cash Equivalents End of Year	10,511,409	3,378,334	17,359	285,030
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(68,573)	(46,547)	(425,686)	(154,664)
Adjustments:				
Depreciation	526,935	1,135,123	0	187,915
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(16,712)	(83,626)	(11,296)	0
(Increase) Decrease in Inventory	(35,160)	0	0	18,505
Increase (Decrease) in Payables	(14,120)	19,263	101	(2,919)
Increase (Decrease) in Accrued Liabilities	23,472	15,221	(202)	11,890
Net Cash Provided (Used) by Operating Activities	\$415,842	\$1,039,434	(\$437,083)	\$60,727

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$11,810,100	\$3,569,663
(4,501,260)	(478,897)
(6,229,920)	(3,261,684)
1,078,920	(170,918)
640,000	189,820
640,000	189,820
(550,757)	0
2,500,000	0
(3,977,529)	0
(701,130)	0
1,200	0
(2,728,216)	0
667,931	2,656
667,931	2,656
(341,365)	21,558
14,533,497	44,583
14,192,132	66,141
(695,470)	(144,699)
1,849,973	0
(111,634)	0
(16,655)	0
2,325	2,036
50,381	(28,255)
\$1,078,920	(\$170,918)

City of Fairfield
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2007

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$124,155</u>
Total Assets	<u>\$124,155</u>
Liabilities:	
Other Liabilities	<u>124,155</u>
Total Liabilities	<u>\$124,155</u>

Net Assets:

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio

Notes to the Basic Financial Statements For The Year Ended December 31, 2007

1. 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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

Reporting Entity

The City of Fairfield, Ohio (the "City") operates as a Home Rule City in accordance with Article XVIII of the Ohio Constitution under a City Manager-Council form of government.

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.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets 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.

The statement of net assets 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 fund is 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 and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements 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 and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 liabilities is 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.

.2% 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 three-tenths of the City's income tax.

.2% Capital Improvement Capital Projects Fund – 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.

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

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 assets, 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.

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 reports on a self-insured health care operations and for the cost of maintaining the City's equipment and automotive fleet.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 two agency funds are Warranty Bonds (used to account for warranty bonds collected) and Municipal Courts (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). 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 revenue 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.

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 Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

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.

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 assets/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 2007 amounted to \$729,058 in the general fund, \$5,311 in the fire levy fund, \$417,542 in the .2% street improvement fund, \$236,872 in the .2% capital improvement fund, \$38,718 in the downtown development fund, \$207,944 in other governmental funds, \$489,017 in the water utility fund, \$188,756 in the sewer utility fund, \$7,647 in the recreation facilities fund and \$2,656 in the employees' benefits (internal service) fund.

Inventory

Inventories of proprietary funds are stated at the lower of cost or market. 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 assets 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 assets 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.

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, compensated absences, and contractually required pension contributions 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 Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

Restricted Assets

Restricted assets consist of resources whose use is restricted by bond covenant agreements and retainage for various contractors.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 assets are available. Of the City's \$11,538,906 in restricted net assets, 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 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.

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.

2. 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.

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 (STAR Ohio).
- (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 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, 2007, \$8,868,103 of the City's bank balance of \$9,311,188 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, 2007, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Repurchase Agreement	\$28,485	0.00
U.S. Treasury Notes	454,189	0.00
Federal Home Loan Bank	10,388,282	1.61
Fannie Mae	5,600,758	1.74
Federal Farm Credit Bank	2,003,440	3.18
Federal Home Loan Mortgage	2,999,080	1.23
STAROhio	12,000,000	0.11
Total Fair Value	<u>\$33,474,234</u>	
Portfolio Weighted Average Maturity		1.18

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, Fannie Mae, Federal Farm Credit Bank and Federal Home Loan Mortgage were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Investments in STAROhio were rated AAAM by Standard & Poors. The Repurchase Agreement and U.S. Treasury Notes were not rated.

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested less than 1% in Repurchase Agreements, 1% in U.S. Treasury Notes, 31% in Federal Home Loan Bank, 17% in Fannie Mae, 6% in Federal Farm Credit Bank, 9% in Federal Home Loan Mortgage and 36% 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.

3. 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, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes were levied after October 1, 2006, on the value as of December 31, 2006. Collections were made in 2007. Tangible personal property assessments are 25 percent of true value.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

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

Real Property	\$940,328,360
Public Utility	26,584,060
Tangible Personal Property	<u>83,540,896</u>
Total Valuation	<u>\$1,050,453,316</u>

Real property taxes are payable annually or semi-annually. The first payment is due January 20 with the remainder payable by June 20.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of year end for which there is an enforceable legal claim.

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2007. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2007 operations. The receivable is therefore offset by a credit to deferred revenue.

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.

4. 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. 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

The City records an estimated liability for dental 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.

Unpaid Claim Liabilities

The following figures represent the changes in dental claims liabilities for the City from January 1, 2006 to December 31, 2007:

Claims Liability, 1/1/06	\$12,158
Claims net of changes in estimates	162,484
Payments	<u>(162,538)</u>
Claims Liability, 12/31/06	12,104
Claims net of changes in estimates	182,750
Payments	<u>(179,816)</u>
Claims Liability, 12/31/07	<u>\$15,038</u>

5. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$13,064,894	\$1,158,429	\$0	\$14,223,323
Construction in Progress	206,821	2,886,957	453,730	2,640,048
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	42,403,783	450,023	0	42,853,806
Equipment	13,444,865	1,002,024	185,094	14,261,795
Infrastructure	73,692,942	319,495	0	74,012,437
Totals at Historical Cost	142,813,305	5,816,928	638,824	147,991,409
Less Accumulated Depreciation:				
Buildings and Improvements	11,507,035	1,248,670	0	12,755,705
Equipment	9,241,951	1,104,694	183,240	10,163,405
Infrastructure	41,841,856	1,886,814	0	43,728,670
Total Accumulated Depreciation	62,590,842	4,240,178	183,240	66,647,780
Governmental Activities Capital Assets, Net	<u>\$80,222,463</u>	<u>\$1,576,750</u>	<u>\$455,584</u>	<u>\$81,343,629</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,497,829	\$0	\$0	\$1,497,829
Construction in Progress	915,640	400,184	1,147,287	168,537
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	46,432,493	313,742	0	46,746,235
Equipment	2,671,959	152,382	53,698	2,770,643
Infrastructure	30,269,224	833,545	0	31,102,769
Totals at Historical Cost	81,787,145	1,699,853	1,200,985	82,286,013
Less Accumulated Depreciation:				
Buildings and Improvements	17,282,263	951,984	0	18,234,247
Equipment	1,971,366	190,131	51,889	2,109,608
Infrastructure	11,030,540	707,858	0	11,738,398
Total Accumulated Depreciation	30,284,169	1,849,973	51,889	32,082,253
Business-Type Activities Capital Assets, Net	<u>\$51,502,976</u>	<u>(\$150,120)</u>	<u>\$1,149,096</u>	<u>\$50,203,760</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$336,425
Public Safety	916,116
Leisure Time Activities	638,746
Transportation and Street Repair	2,314,901
Community Development	33,990
Total Depreciation Expense	<u>\$4,240,178</u>

6. 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 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 an employee, depending on length of service with the City, is paid for his unused sick leave up to a maximum of 960 hours.

7. NOTES PAYABLE

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
Downtown Development Fund:				
3.45% Justice Center Bond Anticipation Note	\$7,000,000	\$0	\$7,000,000	\$0
3.45% Justice Center Bond Anticipation Note	0	6,000,000	0	6,000,000
4.00% Golf Center Bond Anticipation Note	2,200,000	0	2,200,000	0
4.00% Golf Center Bond Anticipation Note	0	2,000,000	0	2,000,000
Enterprise Fund:				
3.85% Sewer Expansion	3,000,000	0	3,000,000	0
4.00% Sewer Expansion	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total Notes Payable	<u>\$12,200,000</u>	<u>\$10,500,000</u>	<u>(\$12,200,000)</u>	<u>\$10,500,000</u>

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.

8. LONG-TERM DEBT

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
<u>General Obligation Bonds</u>						
Justice Center	7.00%	\$50,000	\$0	(\$50,000)	\$0	\$0
Fire Station	6.90%	315,000	0	(70,000)	245,000	75,000
Various Purpose - 1999	4.40%	3,150,000	0	(200,000)	2,950,000	210,000
Various Purpose - 2002	4.34%	3,275,000	0	(270,000)	3,005,000	285,000
Community Arts Center	2.00-4.20%	6,630,000	0	(300,000)	6,330,000	305,000
Total Long-Term Liabilities		13,420,000	0	(890,000)	12,530,000	875,000
Compensated Absences		2,380,552	187,346	(55,802)	2,512,096	116,909
Total Governmental Activities		\$15,800,552	\$187,346	(\$945,802)	\$15,042,096	\$991,909
Business Type Activities						
<u>Loans</u>						
OWDA Wastewater Improvement	3.79-4.12%	\$8,694,316	\$0	(\$652,529)	\$8,041,787	\$679,134
<u>General Obligation Bonds</u>						
Various Purpose Recreation	4.34%	1,885,000	0	(90,000)	1,795,000	95,000
<u>Mortgage Revenue Bonds</u>						
Water Refunding	3.76-5.05%	3,280,000	0	(235,000)	3,045,000	245,000
Compensated Absences		523,349	41,771	(7,283)	557,837	74,453
Total Business-Type Activities		\$14,382,665	\$41,771	(\$984,812)	\$13,439,624	\$1,093,587

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.

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		Mortgage Revenue Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$970,000	\$589,081	\$245,000	\$149,022	\$679,134	\$317,585
2009	1,000,000	552,746	255,000	137,874	706,823	289,894
2010	1,045,000	514,366	265,000	126,018	735,643	261,075
2011	995,000	472,966	280,000	113,562	765,640	231,080
2012	1,035,000	431,965	295,000	100,262	796,858	199,863
2013-2017	5,500,000	1,482,260	1,705,000	266,389	4,138,607	484,592
2018-2022	3,265,000	505,807	0	0	219,082	6,740
2023	515,000	5,994	0	0	0	0
Total	\$14,325,000	\$4,555,185	\$3,045,000	\$893,127	\$8,041,787	\$1,790,829

9. 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, 2007 was \$38,319. 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.

10. INDUSTRIAL AND ECONOMIC DEVELOPMENT REVENUE BONDS

The City issued \$55,712,748 in industrial and economic development revenue bonds for various projects between the years 1973 through 1990. In February of 2000, the City issued \$6,625,000 in industrial development revenue bonds. As of December 31, 2007 \$2,610,000 was outstanding. The bonds are not a liability nor are the proceeds of the issues assets of the City and, accordingly, they are not reflected on the City's financial records. Debt service on these issues is payable solely from the revenues of the Company and/or individual for whom the debt was issued.

11. PENSION PLANS

Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642.

Members have a choice of 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 percent per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan employer contributions are invested by the retirement system 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 adjustment to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 9.0% of their annual covered salary to fund pension obligations. The current year employer contribution rate was 13.7% of covered payroll; 9.2% was the portion paid for pension. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2007, 2006 and 2005 were \$1,588,970, \$1,502,126, and \$1,413,818, respectively. The full amount has been contributed for 2006 and 2005 and 92% has been contributed for 2007.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10% of their annual covered salary to fund pension obligations and the City is required to contribute 19.5% for police and 24% for firefighters. Contributions are authorized by State statute. The City's required contributions to the OP&F for the years ending December 31, 2007, 2006 and 2005 were \$786,866 for police \$596,104 for fire, \$835,022 for police, \$445,164 for fire, and \$797,769 for police and \$368,535 for fire, respectively. The full amount has been contributed for 2006 and 2005 and 85% for police and 66% for fire has been contributed for 2007.

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 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, attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund 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 2007, the City contributed at 13.85% 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. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, 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 City's actual contributions for the current year, which were used to fund postemployment benefits, were \$632,308 for December 31, 2007, \$493,448 for December 31, 2006 and \$417,359 for December 31, 2005.

OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

Other Information

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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 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 for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan; under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401h account as the employer contribution for retiree healthcare benefits. 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 also is limited by the provisions of Section 401h.

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, 2007 were \$272,256 for police and \$167,505 for fire; for the year ending December 31, 2006 were \$331,504 for police and \$143,788 for fire; and for the year ending December 31, 2005 were \$316,714 for police and \$119,037 for fire, respectively, was allocated to the healthcare plan.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, are 14,120 for Police and 10,563 for Firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

13. CONSTRUCTION COMMITMENTS

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
Rt. 4 By-Pass Widening	\$136,990	\$485,019
Golf Course Club House	1,921,555	325,562
LeSaint Drive Reconstruction	0	296,554
River Road Bank Stabilization	481,383	203,448
Public Works Storage Addition	<u>0</u>	<u>89,428</u>
Totals	<u>\$2,539,928</u>	<u>\$1,400,011</u>

14. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$0	\$2,389,820
.2% Street Improvement	0	400,000
.2% Capital Improvement	287,756	1,122,843
Downtown Development	1,297,500	0
Solid Waste Management	450,000	0
Recreation Facilities	190,000	0
Internal Service Fund	189,820	0
Other Governmental Funds	<u>3,233,511</u>	<u>1,735,924</u>
Total All Funds	<u>\$5,648,587</u>	<u>\$5,648,587</u>

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.

15. ACCOUNTABILITY

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

Downtown Development	\$5,694,591
Flood Protection	891,406
Municipal Garage	67,778

16. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2007, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as "other postemployment benefits (OPEB)."

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

REQUIRED SUPPLEMENTARY INFORMATION

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$17,770,000	\$17,770,000	\$19,212,022	\$1,442,022
Licenses & Permits	368,500	368,500	259,970	(108,530)
Intergovernmental	2,448,550	2,448,550	3,416,214	967,664
Charges for Services	821,800	821,800	1,085,517	263,717
Fines and Forfeitures	1,290,000	1,290,000	1,133,154	(156,846)
Special Assessments	20,000	20,000	10,103	(9,897)
Investment Earnings	520,000	520,000	739,173	219,173
Other Revenues	402,000	402,000	250,851	(151,149)
Total Revenues	23,640,850	23,640,850	26,107,004	2,466,154
Expenditures:				
Current:				
General Government	7,810,069	7,742,679	7,164,701	577,978
Public Safety	9,457,608	9,477,191	9,079,366	397,825
Leisure Time Activities	2,384,304	2,420,431	2,266,567	153,864
Community Development	1,394,411	1,396,827	1,278,125	118,702
Basic Utility Service	632,000	439,220	436,859	2,361
Public Health & Welfare Services	30,000	26,265	24,166	2,099
Capital Outlay	263,860	687,482	568,513	118,969
Total Expenditures	21,972,252	22,190,095	20,818,297	1,371,798
Excess of Revenues Over (Under) Expenditures	1,668,598	1,450,755	5,288,707	3,837,952
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	10,000	12,000	9,202	(2,798)
Transfers (Out)	(2,000,000)	(2,389,820)	(2,389,820)	0
Total Other Financing Sources (Uses)	(1,990,000)	(2,377,820)	(2,380,618)	(2,798)
Net Change in Fund Balance	(321,402)	(927,065)	2,908,089	3,835,154
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,818,423	9,818,423	9,818,423	0
Fund Balance End of Year	\$9,497,021	\$8,891,358	\$12,726,512	\$3,835,154

See accompanying notes to the required supplementary information.

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,950,000	\$3,950,000	\$3,942,667	(\$7,333)
Licenses & Permits	8,000	8,000	5,275	(2,725)
Intergovernmental	506,000	506,000	342,627	(163,373)
Charges for Services	900,000	900,000	939,186	39,186
Investment Earnings	15,000	15,000	5,447	(9,553)
Other Revenues	5,500	5,500	6,545	1,045
Total Revenues	5,384,500	5,384,500	5,241,747	(142,753)
Expenditures:				
Current:				
Public Safety	4,889,656	5,203,884	5,007,937	195,947
Capital Outlay	19,119	21,283	19,218	2,065
Total Expenditures	4,908,775	5,225,167	5,027,155	198,012
Excess of Revenues Over (Under) Expenditures	475,725	159,333	214,592	55,259
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	2,000	2,000	1,700	(300)
Total Other Financing Sources (Uses)	2,000	2,000	1,700	(300)
Net Change in Fund Balance	477,725	161,333	216,292	54,959
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	291,554	291,554	291,554	0
Fund Balance End of Year	\$769,279	\$452,887	\$507,846	\$54,959

See accompanying notes to the required supplementary information.

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 fund 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 (Non-GAAP Basis) and Actual 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 a reservation 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.

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	\$3,107,697	\$132,768
Net Adjustment for Revenue Accruals	685,846	3,093
Net Adjustment for Expenditure Accruals	(616,745)	107,087
Encumbrances	<u>(268,709)</u>	<u>(26,656)</u>
Budget Basis	<u>\$2,908,089</u>	<u>\$216,292</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Street, 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.

Debt Service Funds

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

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 .2% Capital Improvements and .3% 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.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Flood Protection - To account 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 II - To account for projects financed through the State of Ohio Public Works Commission. Financing is derived from grants from the state government and local share participation.

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City of Fairfield
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,169,573	\$1,498,864	\$0	\$4,668,437
Receivables:				
Intergovernmental	960,978	0	694,661	1,655,639
Total Assets	<u>4,130,551</u>	<u>1,498,864</u>	<u>694,661</u>	<u>6,324,076</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	55,454	0	6,366	61,820
Accrued Wages and Benefits	81,888	0	0	81,888
Interfund Payable	0	0	885,040	885,040
Deferred Revenue	795,122	0	694,661	1,489,783
Total Liabilities	<u>932,464</u>	<u>0</u>	<u>1,586,067</u>	<u>2,518,531</u>
Fund Balances:				
Reserved for Encumbrances	433	0	749,531	749,964
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,197,654	0	0	3,197,654
Debt Service Funds	0	1,498,864	0	1,498,864
Capital Projects Funds	0	0	(1,640,937)	(1,640,937)
Total Fund Balances	<u>3,198,087</u>	<u>1,498,864</u>	<u>(891,406)</u>	<u>3,805,545</u>
Total Liabilities and Fund Balances	<u>\$4,130,551</u>	<u>\$1,498,864</u>	<u>\$694,661</u>	<u>\$6,324,076</u>

City of Fairfield
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation
Assets:				
Equity in Pooled Cash and Investments	\$1,515	\$64,839	\$233,949	\$255,036
Receivables:				
Intergovernmental	740,089	60,007	0	0
Total Assets	741,604	124,846	233,949	255,036
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	54,934	0	0	0
Accrued Wages and Benefits	53,230	5,405	0	0
Deferred Revenue	611,324	49,567	0	0
Total Liabilities	719,488	54,972	0	0
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	22,116	69,874	233,949	255,036
Total Fund Balances	22,116	69,874	233,949	255,036
Total Liabilities and Fund Balances	\$741,604	\$124,846	\$233,949	\$255,036

Law Enforcement	Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer
\$21,263	\$1,984	\$111,081	\$132,777	\$35,048	\$1,270,597	\$525,544
0	160,882	0	0	0	0	0
21,263	162,866	111,081	132,777	35,048	1,270,597	525,544
0	0	0	0	0	520	0
0	14,338	0	0	0	8,915	0
0	134,231	0	0	0	0	0
0	148,569	0	0	0	9,435	0
0	0	0	0	0	433	0
21,263	14,297	111,081	132,777	35,048	1,260,729	525,544
21,263	14,297	111,081	132,777	35,048	1,261,162	525,544
\$21,263	\$162,866	\$111,081	\$132,777	\$35,048	\$1,270,597	\$525,544

(Continued)

City of Fairfield
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Special Projects	Mediation Services	Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$355,988	\$158,641	\$1,311	\$3,169,573
Receivables:				
Intergovernmental	0	0	0	960,978
Total Assets	<u>355,988</u>	<u>158,641</u>	<u>1,311</u>	<u>4,130,551</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	55,454
Accrued Wages and Benefits	0	0	0	81,888
Deferred Revenue	0	0	0	795,122
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>932,464</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	433
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>355,988</u>	<u>158,641</u>	<u>1,311</u>	<u>3,197,654</u>
Total Fund Balances	<u>355,988</u>	<u>158,641</u>	<u>1,311</u>	<u>3,198,087</u>
Total Liabilities and Fund Balances	<u>\$355,988</u>	<u>\$158,641</u>	<u>\$1,311</u>	<u>\$4,130,551</u>

City of Fairfield
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$124,376	\$1,374,488	\$1,498,864
Total Assets	124,376	1,374,488	1,498,864
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	0	0	0
Fund Balances:			
Unreserved, Undesignated, Reported in:			
Debt Service Funds	124,376	1,374,488	1,498,864
Total Fund Balances	124,376	1,374,488	1,498,864
Total Liabilities and Fund Balances	\$124,376	\$1,374,488	\$1,498,864

City of Fairfield
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	Flood Protection	State Issue II	Total Nonmajor Capital Projects Funds
Assets:			
Receivables:			
Intergovernmental	\$694,661	\$0	\$694,661
Total Assets	694,661	0	694,661
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	6,366	0	6,366
Interfund Payable	885,040	0	885,040
Deferred Revenue	694,661	0	694,661
Total Liabilities	1,586,067	0	1,586,067
Fund Balances:			
Reserved for Encumbrances	718,080	31,451	749,531
Unreserved, Undesignated, Reported in: Capital Projects Funds	(1,609,486)	(31,451)	(1,640,937)
Total Fund Balances	(891,406)	0	(891,406)
Total Liabilities and Fund Balances	\$694,661	\$0	\$694,661

City of Fairfield
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Fines, Licenses & Permits	\$738,165	\$0	\$0	\$738,165
Investment Earnings	101,957	105,987	0	207,944
Intergovernmental	2,361,072	0	482,835	2,843,907
Special Assessments	85,692	132,950	0	218,642
Other Revenues	6,117	0	9,294	15,411
Total Revenues	3,293,003	238,937	492,129	4,024,069
Expenditures:				
Current:				
General Government	252,497	20,470	0	272,967
Public Safety	551	0	0	551
Community Development	164,983	122,320	0	287,303
Transportation and Street Repair	2,988,265	0	508,246	3,496,511
Capital Outlay	424,963	0	1,083,106	1,508,069
Debt Service:				
Principal Retirement	0	890,000	0	890,000
Interest and Fiscal Charges	0	546,514	0	546,514
Total Expenditures	3,831,259	1,579,304	1,591,352	7,001,915
Excess of Revenues Over (Under) Expenditures	(538,256)	(1,340,367)	(1,099,223)	(2,977,846)
Other Financing Sources (Uses):				
Transfers In	710,668	2,522,843	0	3,233,511
Transfers (Out)	(60,668)	(1,675,256)	0	(1,735,924)
Total Other Financing Sources (Uses)	650,000	847,587	0	1,497,587
Net Change in Fund Balance	111,744	(492,780)	(1,099,223)	(1,480,259)
Fund Balance Beginning of Year	3,086,343	1,991,644	207,817	5,285,804
Fund Balance End of Year	\$3,198,087	\$1,498,864	(\$891,406)	\$3,805,545

City of Fairfield
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation
Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$0	\$2,400
Investment Earnings	0	0	7,647	12,745
Intergovernmental	1,835,412	148,816	31,420	0
Special Assessments	0	0	0	0
Other Revenues	6,117	0	0	0
Total Revenues	1,841,529	148,816	39,067	15,145
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	2,520,623	130,765	0	0
Capital Outlay	7,895	0	368,286	35,207
Total Expenditures	2,528,518	130,765	368,286	35,207
Excess of Revenues Over (Under) Expenditures	(686,989)	18,051	(329,219)	(20,062)
Other Financing Sources (Uses):				
Transfers In	650,000	0	0	0
Transfers (Out)	0	0	0	0
Total Other Financing Sources (Uses)	650,000	0	0	0
Net Change in Fund Balance	(36,989)	18,051	(329,219)	(20,062)
Fund Balance Beginning of Year	59,105	51,823	563,168	275,098
Fund Balance End of Year	\$22,116	\$69,874	\$233,949	\$255,036

Law Enforcement	Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer
\$2,187	\$0	\$8,003	\$19,716	\$0	\$476,799	\$106,729
0	0	5,098	5,098	0	38,233	17,842
0	321,579	0	0	23,845	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,187	321,579	13,101	24,814	23,845	515,032	124,571
0	0	0	8,820	0	201,672	22,695
323	0	0	0	228	0	0
0	0	0	0	0	0	0
0	336,877	0	0	0	0	0
0	0	0	0	4,569	0	2,051
323	336,877	0	8,820	4,797	201,672	24,746
1,864	(15,298)	13,101	15,994	19,048	313,360	99,825
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,864	(15,298)	13,101	15,994	19,048	313,360	99,825
19,399	29,595	97,980	116,783	16,000	947,802	425,719
\$21,263	\$14,297	\$111,081	\$132,777	\$35,048	\$1,261,162	\$525,544

(Continued)

City of Fairfield
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007

	Special Projects	Mediation Services	Tax Increment Equivalent	Total Nonmajor Special Revenue Funds
Revenues:				
Fines, Licenses & Permits	\$60,031	\$62,300	\$0	\$738,165
Investment Earnings	10,196	5,098	0	101,957
Intergovernmental	0	0	0	2,361,072
Special Assessments	0	0	85,692	85,692
Other Revenues	0	0	0	6,117
Total Revenues	70,227	67,398	85,692	3,293,003
Expenditures:				
Current:				
General Government	12,176	7,134	0	252,497
Public Safety	0	0	0	551
Community Development	0	0	164,983	164,983
Transportation and Street Repair	0	0	0	2,988,265
Capital Outlay	6,955	0	0	424,963
Total Expenditures	19,131	7,134	164,983	3,831,259
Excess of Revenues Over (Under) Expenditures	51,096	60,264	(79,291)	(538,256)
Other Financing Sources (Uses):				
Transfers In	60,668	0	0	710,668
Transfers (Out)	0	(60,668)	0	(60,668)
Total Other Financing Sources (Uses)	60,668	(60,668)	0	650,000
Net Change in Fund Balance	111,764	(404)	(79,291)	111,744
Fund Balance Beginning of Year	244,224	159,045	80,602	3,086,343
Fund Balance End of Year	\$355,988	\$158,641	\$1,311	\$3,198,087

City of Fairfield
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2007

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$43,331	\$62,656	\$105,987
Special Assessments	0	132,950	132,950
Total Revenues	43,331	195,606	238,937
Expenditures:			
Current:			
General Government	14,866	5,604	20,470
Community Development	0	122,320	122,320
Debt Service:			
Principal Retirement	890,000	0	890,000
Interest and Fiscal Charges	543,463	3,051	546,514
Total Expenditures	1,448,329	130,975	1,579,304
Excess of Revenues Over (Under) Expenditures	(1,404,998)	64,631	(1,340,367)
Other Financing Sources (Uses):			
Transfers In	2,522,843	0	2,522,843
Transfers (Out)	(1,675,256)	0	(1,675,256)
Total Other Financing Sources (Uses)	847,587	0	847,587
Net Change in Fund Balance	(557,411)	64,631	(492,780)
Fund Balance Beginning of Year	681,787	1,309,857	1,991,644
Fund Balance End of Year	\$124,376	\$1,374,488	\$1,498,864

City of Fairfield
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2007

	Flood Protection	State Issue II	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$98,176	\$384,659	\$482,835
Other Revenues	9,294	0	9,294
Total Revenues	107,470	384,659	492,129
Expenditures:			
Current:			
Transportation and Street Repair	0	508,246	508,246
Capital Outlay	1,083,106	0	1,083,106
Total Expenditures	1,083,106	508,246	1,591,352
Net Change in Fund Balance	(975,636)	(123,587)	(1,099,223)
Fund Balance Beginning of Year	84,230	123,587	207,817
Fund Balance End of Year	(\$891,406)	\$0	(\$891,406)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,600,000	\$1,600,000	\$1,824,363	\$224,363
Investment Earnings	0	500	0	(500)
Other Revenues	2,000	2,000	6,117	4,117
Total Revenues	1,602,000	1,602,500	1,830,480	227,980
Expenditures:				
Current:				
Transportation & Street Repair	2,773,799	2,765,519	2,501,102	264,417
Capital Outlay	4,000	8,030	7,894	136
Total Expenditures	2,777,799	2,773,549	2,508,996	264,553
Excess of Revenues Over (Under) Expenditures	(1,175,799)	(1,171,049)	(678,516)	492,533
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	2,000	2,000	0	(2,000)
Transfers In	750,000	750,000	650,000	(100,000)
Total Other Financing Sources (Uses)	752,000	752,000	650,000	(102,000)
Net Change in Fund Balance	(423,799)	(419,049)	(28,516)	390,533
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,826	1,826	1,826	0
Fund Balance End of Year	(\$421,973)	(\$417,223)	(\$26,690)	\$390,533

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	State Highway Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$140,000	\$140,000	\$147,921	\$7,921
Total Revenues	140,000	140,000	147,921	7,921
Expenditures:				
Current:				
Transportation & Street Repair	144,837	144,837	129,780	15,057
Total Expenditures	144,837	144,837	129,780	15,057
Net Change in Fund Balance	(4,837)	(4,837)	18,141	22,978
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,698	46,698	46,698	0
Fund Balance End of Year	\$41,861	\$41,861	\$64,839	\$22,978

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	County Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$100,000	\$100,000	\$31,420	(\$68,580)
Investment Earnings	5,000	5,000	7,647	2,647
Total Revenues	105,000	105,000	39,067	(65,933)
Expenditures:				
Current:				
Transportation & Street Repair	1,000	1,000	0	1,000
Capital Outlay	414,495	414,495	368,286	46,209
Total Expenditures	415,495	415,495	368,286	47,209
Net Change in Fund Balance	(310,495)	(310,495)	(329,219)	(18,724)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	563,168	563,168	563,168	0
Fund Balance End of Year	\$252,673	\$252,673	\$233,949	(\$18,724)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Tax Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Licenses & Permits	\$10,000	\$10,000	\$2,400	(\$7,600)
Investment Earnings	10,000	10,000	12,745	2,745
Total Revenues	20,000	20,000	15,145	(4,855)
Expenditures:				
Capital Outlay	2,500	2,500	35,207	(32,707)
Total Expenditures	2,500	2,500	35,207	(32,707)
Net Change in Fund Balance	17,500	17,500	(20,062)	(37,562)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	275,098	275,098	275,098	0
Fund Balance End of Year	\$292,598	\$292,598	\$255,036	(\$37,562)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$22,000	\$22,000	\$2,188	(\$19,812)
Investment Earnings	250	250	0	(250)
Total Revenues	22,250	22,250	2,188	(20,062)
Expenditures:				
Current:				
Public Safety	5,000	5,323	323	5,000
Total Expenditures	5,000	5,323	323	5,000
Net Change in Fund Balance	17,250	16,927	1,865	(15,062)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,399	19,399	19,399	0
Fund Balance End of Year	\$36,649	\$36,326	\$21,264	(\$15,062)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Municipal Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$355,000	\$355,000	\$322,250	(\$32,750)
Investment Earnings	0	0	0	0
Total Revenues	355,000	355,000	322,250	(32,750)
Expenditures:				
Current:				
Transportation & Street Repair	391,060	391,060	334,472	56,588
Total Expenditures	391,060	391,060	334,472	56,588
Net Change in Fund Balance	(36,060)	(36,060)	(12,222)	23,838
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,207	14,207	14,207	0
Fund Balance End of Year	(\$21,853)	(\$21,853)	\$1,985	\$23,838

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Law Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$45,000	\$45,000	\$8,003	(\$36,997)
Investment Earnings	2,000	2,000	5,098	3,098
Total Revenues	47,000	47,000	13,101	(33,899)
Expenditures:				
Current:				
Public Safety	5,000	5,000	0	5,000
Total Expenditures	5,000	5,000	0	5,000
Net Change in Fund Balance	42,000	42,000	13,101	(28,899)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	97,980	97,980	97,980	0
Fund Balance End of Year	\$139,980	\$139,980	\$111,081	(\$28,899)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Drug and Alcohol Treatment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$20,000	\$20,000	\$19,716	(\$284)
Investment Earnings	2,500	2,500	5,098	2,598
Total Revenues	22,500	22,500	24,814	2,314
Expenditures:				
Current:				
General Government	10,000	10,000	8,820	1,180
Total Expenditures	10,000	10,000	8,820	1,180
Net Change in Fund Balance	12,500	12,500	15,994	3,494
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	116,783	116,783	116,783	0
Fund Balance End of Year	\$129,283	\$129,283	\$132,777	\$3,494

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Local Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$23,845	\$23,845
Total Revenues	0	0	23,845	23,845
Expenditures:				
Current:				
Public Safety	9,000	3,642	228	3,414
Capital Outlay	0	0	4,569	(4,569)
Total Expenditures	9,000	3,642	4,797	(1,155)
Net Change in Fund Balance	(9,000)	(3,642)	19,048	22,690
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,000	16,000	16,000	0
Fund Balance End of Year	\$7,000	\$12,358	\$35,048	\$22,690

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Probation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$400,000	\$400,000	\$476,798	\$76,798
Investment Earnings	25,000	25,000	38,233	13,233
Total Revenues	425,000	425,000	515,031	90,031
Expenditures:				
Current:				
General Government	223,199	223,199	201,149	22,050
Total Expenditures	223,199	223,199	201,149	22,050
Net Change in Fund Balance	201,801	201,801	313,882	112,081
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	955,762	955,762	955,762	0
Fund Balance End of Year	\$1,157,563	\$1,157,563	\$1,269,644	\$112,081

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Court Computer Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$115,000	\$115,000	\$106,729	(\$8,271)
Investment Earnings	10,000	10,000	17,842	7,842
Total Revenues	125,000	125,000	124,571	(429)
Expenditures:				
Current:				
General Government	35,000	35,000	22,695	12,305
Capital Outlay	15,000	15,000	2,052	12,948
Total Expenditures	50,000	50,000	24,747	25,253
Net Change in Fund Balance	75,000	75,000	99,824	24,824
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	425,720	425,720	425,720	0
Fund Balance End of Year	\$500,720	\$500,720	\$525,544	\$24,824

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Special Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$75,000	\$75,000	\$60,031	(\$14,969)
Investment Earnings	5,000	5,000	10,196	5,196
Total Revenues	80,000	80,000	70,227	(9,773)
Expenditures:				
Current:				
General Government	27,085	19,585	12,176	7,409
Capital Outlay	10,000	17,500	6,955	10,545
Total Expenditures	37,085	37,085	19,131	17,954
Excess of Revenues Over (Under) Expenditures	42,915	42,915	51,096	8,181
Other financing sources (uses):				
Transfers In	0	0	60,668	60,668
Total Other Financing Sources (Uses)	0	0	60,668	60,668
Net Change in Fund Balance	42,915	42,915	111,764	68,849
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	244,225	244,225	244,225	0
Fund Balance End of Year	\$287,140	\$287,140	\$355,989	\$68,849

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Mediation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and Forfeitures	\$55,000	\$55,000	\$62,300	\$7,300
Investment Earnings	3,000	3,000	5,098	2,098
Total Revenues	58,000	58,000	67,398	9,398
Expenditures:				
Current:				
General Government	10,000	70,668	67,802	2,866
Total Expenditures	10,000	70,668	67,802	2,866
Net Change in Fund Balance	48,000	(12,668)	(404)	12,264
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	159,044	159,044	159,044	0
Fund Balance End of Year	\$207,044	\$146,376	\$158,640	\$12,264

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Tax Increment Equivalent Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$15,000	\$15,000	\$85,692	\$70,692
Total Revenues	15,000	15,000	85,692	70,692
Expenditures:				
Debt Service:				
Principal Retirement	0	165,054	164,983	71
Interest and Fiscal Charges	15,000	15,000	0	15,000
Total Expenditures	15,000	180,054	164,983	15,071
Excess of Revenues Over (Under) Expenditures	0	(165,054)	(79,291)	85,763
Net Change in Fund Balance	0	(165,054)	(79,291)	85,763
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	80,602	80,602	80,602	0
Fund Balance End of Year	<u>\$80,602</u>	<u>(\$84,452)</u>	<u>\$1,311</u>	<u>\$85,763</u>

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Bond Retirement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$15,000	\$15,000	\$43,330	\$28,330
Other Revenues	0	0	6,173	6,173
Total Revenues	15,000	15,000	49,503	34,503
Expenditures:				
Debt Service:				
Principal Retirement	2,340,000	2,258,000	2,180,000	78,000
Interest and Fiscal Charges	814,500	962,500	949,757	12,743
Total Expenditures	3,154,500	3,220,500	3,129,757	90,743
Excess of Revenues Over (Under) Expenditures	(3,139,500)	(3,205,500)	(3,080,254)	125,246
Other financing sources (uses):				
Transfers In	2,800,000	2,800,000	2,522,843	(277,157)
Total Other Financing Sources (Uses)	2,800,000	2,800,000	2,522,843	(277,157)
Net Change in Fund Balance	(339,500)	(405,500)	(557,411)	(151,911)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	681,785	681,785	681,785	0
Fund Balance End of Year	\$342,285	\$276,285	\$124,374	(\$151,911)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Special Assessment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$25,000	\$25,000	\$158,312	\$133,312
Investment Earnings	50,000	50,000	61,549	11,549
Total Revenues	75,000	75,000	219,861	144,861
Expenditures:				
Debt Service:				
Principal Retirement	300,000	300,000	147,682	152,318
Interest and Fiscal Charges	17,500	17,500	8,655	8,845
Total Expenditures	317,500	317,500	156,337	161,163
Net Change in Fund Balance	(242,500)	(242,500)	63,524	306,024
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,310,960	1,310,960	1,310,960	0
Fund Balance End of Year	\$1,068,460	\$1,068,460	\$1,374,484	\$306,024

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Flood Protection Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$650,000	\$650,000	\$104,907	(\$545,093)
Investment Earnings	2,500	2,500	0	(2,500)
Other Revenues	1,000	1,000	9,294	8,294
Total Revenues	653,500	653,500	114,201	(539,299)
Expenditures:				
Capital Outlay	323,072	2,147,735	1,801,186	346,549
Total Expenditures	323,072	2,147,735	1,801,186	346,549
Net Change in Fund Balance	330,428	(1,494,235)	(1,686,985)	(192,750)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	77,500	77,500	77,500	0
Fund Balance End of Year	\$407,928	(\$1,416,735)	(\$1,609,485)	(\$192,750)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	State Issue II Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$880,000	\$880,000	\$548,893	(\$331,107)
Total Revenues	880,000	880,000	548,893	(331,107)
Expenditures:				
Capital Outlay	630,344	630,344	580,344	50,000
Total Expenditures	630,344	630,344	580,344	50,000
Net Change in Fund Balance	249,656	249,656	(31,451)	(281,107)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$249,656	\$249,656	(\$31,451)	(\$281,107)

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	.2% Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,000,000	\$3,000,000	\$3,215,519	\$215,519
Investment Earnings	300,000	300,000	408,774	108,774
Other Revenues	51,000	51,000	39,996	(11,004)
Total Revenues	3,351,000	3,351,000	3,664,289	313,289
Expenditures:				
Current:				
General Government	100,000	100,000	86,780	13,220
Capital Outlay	2,284,285	6,248,537	5,600,510	648,027
Total Expenditures	2,384,285	6,348,537	5,687,290	661,247
Excess of Revenues Over (Under) Expenditures	966,715	(2,997,537)	(2,023,001)	974,536
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	0	0	600	600
Transfers (Out)	(400,000)	(400,000)	(400,000)	0
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(399,400)	600
Net Change in Fund Balance	566,715	(3,397,537)	(2,422,401)	975,136
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,492,659	8,492,659	8,492,659	0
Fund Balance End of Year	\$9,059,374	\$5,095,122	\$6,070,258	\$975,136

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	.2% Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,000,000	\$3,000,000	\$3,215,519	\$215,519
Intergovernmental	0	0	149,730	149,730
Investment Earnings	150,000	150,000	230,058	80,058
Other Revenues	1,000	1,000	26,350	25,350
Total Revenues	3,151,000	3,151,000	3,621,657	470,657
Expenditures:				
Current:				
General Government	100,000	101,750	101,703	47
Capital Outlay	2,786,905	4,781,032	4,518,614	262,418
Total Expenditures	2,886,905	4,882,782	4,620,317	262,465
Excess of Revenues Over (Under) Expenditures	264,095	(1,731,782)	(998,660)	733,122
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	500	(9,500)
Transfers (Out)	(1,200,000)	(1,200,000)	(1,122,843)	77,157
Total Other Financing Sources (Uses)	(1,190,000)	(1,190,000)	(1,122,343)	67,657
Net Change in Fund Balance	(925,905)	(2,921,782)	(2,121,003)	800,779
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,900,581	4,900,581	4,900,581	0
Fund Balance End of Year	\$3,974,676	\$1,978,799	\$2,779,578	\$800,779

City of Fairfield
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Downtown Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$28,980	\$28,980
Investment Earnings	10,000	10,000	38,233	\$28,233
Other Revenues	0	0	14,791	14,791
Total Revenues	10,000	10,000	82,004	72,004
Expenditures:				
Capital Outlay	838,700	833,736	340,625	493,111
Total Expenditures	838,700	833,736	340,625	493,111
Net Change in Fund Balance	(828,700)	(823,736)	(258,621)	565,115
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	574,942	574,942	574,942	0
Fund Balance End of Year	(\$253,758)	(\$248,794)	\$316,321	\$565,115

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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.

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.

Agency Funds

Municipal Courts Fund - 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.

Warranty Bonds Fund - To account for warranty bonds collected.

City of Fairfield
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$66,130	\$11	\$66,141
Total Assets	66,130	11	66,141
Liabilities:			
Current Liabilities:			
Accounts Payable	0	534	534
Accrued Wages and Benefits	0	19,841	19,841
Claims Payable	15,038	0	15,038
Total Current Liabilities	15,038	20,375	35,413
Long-Term Liabilities:			
Compensated Absences	0	47,414	47,414
Total Noncurrent Liabilities	0	47,414	47,414
Total Liabilities	15,038	67,789	82,827
Net Assets:			
Unrestricted	51,092	(67,778)	(16,686)
Total Net Assets	\$51,092	(\$67,778)	(\$16,686)

City of Fairfield
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended December 31, 2007

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$3,018,997	\$550,393	\$3,569,390
Other Revenues	0	273	273
Total Operating Revenues	3,018,997	550,666	3,569,663
Operating Expenses:			
Personal Services	0	450,642	450,642
Contractual Services	3,002,721	8,113	3,010,834
Materials and Supplies	0	252,886	252,886
Total Operating Expenses	3,002,721	711,641	3,714,362
Operating Income (Loss)	16,276	(160,975)	(144,699)
Non-Operating Revenues (Expenses):			
Investment Earnings	2,656	0	2,656
Total Non-Operating Revenues (Expenses)	2,656	0	2,656
Income (Loss) Before Contributions and Transfers	18,932	(160,975)	(142,043)
Transfers In	0	189,820	189,820
Change in Net Assets	18,932	28,845	47,777
Net Assets Beginning of Year	32,160	(96,623)	(64,463)
Net Assets End of Year	\$51,092	(\$67,778)	(\$16,686)

City of Fairfield
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2007

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,018,997	\$550,666	\$3,569,663
Cash Payments to Employees	0	(478,897)	(478,897)
Cash Payments to Suppliers	(2,999,787)	(261,897)	(3,261,684)
Net Cash Provided (Used) by Operating Activities	19,210	(190,128)	(170,918)
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	189,820	189,820
Net Cash Provided (Used) by Noncapital Financing Activities	0	189,820	189,820
Cash Flows from Investing Activities:			
Earnings on Investments	2,656	0	2,656
Net Cash Provided (Used) by Cash Flows from Investing Activities	2,656	0	2,656
Net Increase (Decrease) in Cash and Cash Equivalents	21,866	(308)	21,558
Cash and Cash Equivalents Beginning of Year	44,264	319	44,583
Cash and Cash Equivalents End of Year	66,130	11	66,141
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	16,276	(160,975)	(144,699)
Changes in Assets & Liabilities:			
Increase (Decrease) in Payables	2,934	(898)	2,036
Increase (Decrease) in Accrued Liabilities	0	(28,255)	(28,255)
Net Cash Provided (Used) by Operating Activities	\$19,210	(\$190,128)	(\$170,918)

City of Fairfield
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Municipal Court			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$84,708	\$1,444,999	\$1,416,461	\$113,246
Total Assets	84,708	1,444,999	1,416,461	113,246
Liabilities:				
Other Liabilities	84,708	1,444,999	1,416,461	113,246
Total Liabilities	\$84,708	\$1,444,999	\$1,416,461	\$113,246
	Warranty Bonds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$19,948	\$22	\$9,061	\$10,909
Total Assets	19,948	22	9,061	10,909
Liabilities:				
Other Liabilities	19,948	22	9,061	10,909
Total Liabilities	\$19,948	\$22	\$9,061	\$10,909
	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$104,656	\$1,445,021	\$1,425,522	\$124,155
Total Assets	104,656	1,445,021	1,425,522	124,155
Liabilities:				
Other Liabilities	104,656	1,445,021	1,425,522	124,155
Total Liabilities	\$104,656	\$1,445,021	\$1,425,522	\$124,155

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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 source, the income 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. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

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City of Fairfield
Net Assets by Component
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 1

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$49,060,051	\$42,799,518	\$55,787,920	\$54,410,081	\$57,602,463	\$60,813,629
Restricted	18,439,582	24,840,210	19,587,895	11,788,385	11,245,048	10,331,713
Unrestricted	8,736,673	7,213,215	8,929,247	18,606,085	20,702,996	22,442,784
Total governmental activities net assets	<u>\$76,236,306</u>	<u>\$74,852,943</u>	<u>\$84,305,062</u>	<u>\$84,804,551</u>	<u>\$89,550,507</u>	<u>\$93,588,126</u>
Business-type activities						
Invested in Capital Assets, Net of Related Debt	\$34,245,290	\$35,166,882	\$34,493,502	\$34,091,302	\$34,692,293	\$34,821,973
Restricted	0	0	1,438,321	1,131,986	1,193,743	1,207,193
Unrestricted	16,868,346	14,443,918	13,181,031	13,863,041	13,454,093	13,231,494
Total business-type activities net assets	<u>\$51,113,636</u>	<u>\$49,610,800</u>	<u>\$49,112,854</u>	<u>\$49,086,329</u>	<u>\$49,340,129</u>	<u>\$49,260,660</u>
Total Primary Government						
Invested in Capital Assets, Net of Related Debt	\$83,305,341	\$77,966,400	\$90,281,422	\$88,501,383	\$92,294,756	\$95,635,602
Restricted	2,288,050	2,288,050	2,288,050	2,288,050	2,288,050	2,288,050
Unrestricted	16,369,973	16,369,973	16,369,973	16,369,973	16,369,973	16,369,973
Total primary government net assets	<u>\$101,963,364</u>	<u>\$96,624,423</u>	<u>\$108,939,445</u>	<u>\$107,159,406</u>	<u>\$110,952,779</u>	<u>\$114,293,625</u>

Source: City Records

(1) - The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002

City of Fairfield
Changes in Net Assets
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 2

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$6,377,765	\$5,569,878	\$7,274,175	\$7,172,448	\$7,817,572	\$7,239,804
Public Safety	12,033,560	12,233,671	13,603,790	13,502,174	14,603,318	15,016,636
Leisure Time Activities	2,051,333	1,914,984	2,794,947	2,126,895	2,732,748	2,866,626
Community Development	1,812,689	3,073,536	1,113,666	1,043,526	1,232,188	1,617,775
Basic Utility Service	521,909	481,265	509,633	506,372	508,183	461,934
Transportation and Street Repair	6,656,322	7,719,625	5,052,846	10,240,547	8,377,486	10,279,823
Public Health and Welfare	25,576	25,809	25,278	25,007	24,363	24,166
Interest and Fiscal Charges	539,959	615,988	676,748	842,065	870,047	917,208
Total governmental activities expenses	30,019,113	31,634,756	31,051,083	35,459,034	36,165,905	38,423,972
Business-type activities:						
Water Utility	3,696,360	3,830,735	3,964,028	3,763,190	3,696,111	4,269,598
Sewer Utility	4,164,390	4,330,106	4,616,131	4,517,979	4,710,334	5,113,311
Solid Waste Management	1,749,193	1,685,265	1,728,745	1,751,984	1,851,371	2,007,021
Recreation Facilities	1,680,839	1,735,131	1,790,010	1,885,070	1,897,000	1,936,693
Total business-type activities expenses	11,290,782	11,581,237	12,098,914	11,918,223	12,154,816	13,326,623
Total primary government expenses	\$41,309,895	\$43,215,993	\$43,149,997	\$47,377,257	\$48,320,721	\$51,750,595
Program Revenues						
Governmental Activities:						
Charges for Services and Sales:						
General Government	\$1,272,226	\$1,343,635	\$2,905,819	\$1,174,030	\$1,282,363	\$1,253,147
Public Safety	107,392	21,239	17,073	1,463,507	1,715,358	1,790,379
Leisure Time Activities	87,931	95,126	63,257	474,215	200,442	218,759
Community Development	530,645	487,169	394,855	65,027	487,966	341,793
Basic Utility Service	408,479	494,624	445,150	491,588	479,807	733,410
Operating Grants and Contributions	3,507,178	1,481,204	1,279,580	2,628,669	3,356,835	2,751,313
Capital Grants and Contributions	335,590	150,233	1,797,917	1,556,398	781,952	1,410,875
Total governmental activities program revenues	6,249,441	4,073,230	6,903,651	7,853,434	8,304,723	8,499,676
Business-type activities:						
Charges for Services and Sales:						
Water Utility	3,346,234	3,295,461	3,382,911	3,509,115	3,468,314	3,813,675
Sewer Utility	3,576,138	3,995,556	4,234,392	4,170,483	4,569,010	4,569,801
Solid Waste Management	1,508,115	1,371,403	1,410,475	1,460,257	1,492,120	1,567,007
Recreation Facilities	1,409,174	1,486,307	1,417,897	1,533,572	1,644,698	1,696,093
Operating Grants and Contributions	0	0	273,206	0	0	0
Total business-type activities program revenues	9,839,661	10,148,727	10,718,881	10,673,427	11,174,142	11,646,576
Total primary government program revenues	\$16,089,102	\$14,221,957	\$17,622,532	\$18,526,861	\$19,478,865	\$20,146,252

City of Fairfield
Changes in Net Assets
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 2 (Continued)

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Net (Expense)/Revenue						
Governmental Activities	(\$23,769,672)	(\$27,561,526)	(\$24,147,432)	(\$27,605,600)	(\$27,861,182)	(\$29,924,296)
Business-type activities	(1,451,121)	(1,432,510)	(1,380,033)	(1,244,796)	(980,674)	(1,680,047)
Total primary government net expenses	<u>(\$25,220,793)</u>	<u>(\$28,994,036)</u>	<u>(\$25,527,465)</u>	<u>(\$28,850,396)</u>	<u>(\$28,841,856)</u>	<u>(\$31,604,343)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Income Taxes	\$19,114,762	\$18,457,637	\$20,228,063	\$20,316,676	\$22,302,563	\$23,491,536
Property Taxes Levied for:						
General Purposes	4,558,801	4,958,234	5,958,198	4,954,867	1,293,193	1,560,761
Special Revenue Purposes	0	449,200	0	0	3,679,353	4,515,318
Grants and Entitlements not Restricted	2,916,695	1,725,249	2,728,213	2,263,680	3,197,933	3,111,723
Unrestricted Contributions	1,400	33,320	0	0	0	0
Investment Earnings	729,920	543,188	380,569	946,699	1,464,849	1,676,017
Refunds and Reimbursements	304,120	47,791	0	0	0	90,431
Other Revenues	129,755	68,403	317,431	273,167	1,219,247	156,129
Transfers-Internal Activities	(550,000)	(396,000)	(650,000)	(650,000)	(550,000)	(640,000)
Total governmental activities	<u>27,205,453</u>	<u>25,887,022</u>	<u>28,962,474</u>	<u>28,105,089</u>	<u>32,607,138</u>	<u>33,961,915</u>
Business-type activities:						
Investment earnings	442,843	300,408	162,472	428,305	647,220	685,420
Other Revenues	387,152	37,895	69,615	139,966	37,254	275,158
Transfers-Internal Activities	550,000	396,000	650,000	650,000	550,000	640,000
Total business-type activities	<u>1,379,995</u>	<u>734,303</u>	<u>882,087</u>	<u>1,218,271</u>	<u>1,234,474</u>	<u>1,600,578</u>
Total primary government	<u>\$28,585,448</u>	<u>\$26,621,325</u>	<u>\$29,844,561</u>	<u>\$29,323,360</u>	<u>\$33,841,612</u>	<u>\$35,562,493</u>
Change in Net Assets						
Governmental Activities	\$3,435,781	(\$1,674,504)	\$4,815,042	\$499,489	\$4,745,956	\$4,037,619
Business-type activities	(71,126)	(698,207)	(497,946)	(26,525)	253,800	(79,469)
Total primary government	<u>\$3,364,655</u>	<u>(\$2,372,711)</u>	<u>\$4,317,096</u>	<u>\$472,964</u>	<u>\$4,999,756</u>	<u>\$3,958,150</u>

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in 2002

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$616,570	\$554,703	\$522,932	\$818,400	\$160,638	\$161,563	\$121,876	\$43,987	\$74,657	\$37,690
Unreserved	6,737,593	5,138,937	6,215,653	6,979,338	7,933,176	6,821,257	7,911,739	9,273,993	10,510,419	13,655,083
Total General Fund	7,354,163	5,693,640	6,738,585	7,797,738	8,093,814	6,982,820	8,033,615	9,317,980	10,585,076	13,692,773
All Other Governmental Funds										
Reserved	5,810,869	7,589,883	8,076,069	4,379,646	5,783,624	10,885,107	6,512,144	6,792,569	5,254,491	2,606,357
Unreserved, Reported in:										
Special Revenue Funds	1,917,573	1,738,326	1,243,907	1,463,759	1,439,711	1,243,418	1,364,045	2,062,987	2,617,729	3,353,296
Debt Service Funds	0	0	0	0	0	1,551,097	1,582,749	1,652,542	1,991,644	1,498,864
Capital Projects Funds	4,033,239	7,986,546	8,905,054	8,061,210	10,030,048	10,562,319	8,371,053	194,779	(10,454)	146,107
Total all Other Governmental Funds	\$11,761,681	\$17,314,755	\$18,225,030	\$13,904,615	\$17,253,383	\$24,241,941	\$17,829,991	\$10,702,877	\$9,853,410	\$7,604,624

Source: City Records

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$20,178,989	\$21,847,050	\$23,935,601	\$22,042,604	\$22,579,590	\$23,392,077	\$26,220,071	\$25,961,492	\$27,105,520	\$28,828,205
Fines, Licenses & Permits	1,149,584	1,149,910	1,197,181	1,402,165	1,462,843	1,596,540	2,858,235	1,974,885	2,437,555	2,136,564
Charges for Services	325,553	432,979	399,394	450,036	610,245	645,196	851,781	1,573,729	1,525,192	1,962,620
Investment Earnings	1,092,893	1,442,894	1,705,009	1,376,349	718,590	541,134	379,609	815,309	1,441,262	1,635,445
Intergovernmental	789,011	484,917	1,159,005	6,478,071	5,311,046	4,803,384	4,504,553	6,767,918	6,489,289	6,767,796
Special Assessments	196,335	194,228	180,190	170,028	157,814	84,479	63,649	61,048	173,721	253,763
Other Revenues	543,004	156,298	1,382,632	1,597,086	787,342	295,901	274,294	436,861	1,322,942	312,794
Total Revenues	\$24,275,369	\$25,708,276	\$29,959,012	\$33,516,339	\$31,627,470	\$31,358,711	\$35,152,192	\$37,591,242	\$40,495,481	\$41,897,187
Expenditures:										
Current:										
General Government	\$3,053,126	\$3,449,168	\$4,217,147	\$5,081,666	\$6,049,495	\$6,055,799	\$6,036,322	\$6,451,328	\$7,355,804	\$6,697,012
Public Safety	7,144,615	8,200,367	9,158,689	10,104,904	11,861,430	11,855,307	12,344,876	12,958,223	13,570,140	14,094,273
Leisure Time Activities	772,473	788,275	842,935	994,972	1,754,887	1,219,328	1,314,111	1,887,376	2,083,769	2,215,832
Community Development	807,002	955,929	915,681	886,016	5,283,792	2,297,100	1,033,798	1,107,022	1,183,209	1,573,045
Basic Utility Service	338,654	342,155	402,185	401,395	521,909	481,265	509,030	506,372	508,183	461,934
Transportation and Street Repair	1,732,903	1,998,534	1,980,761	2,280,900	5,612,924	2,817,083	2,528,611	7,908,631	6,058,791	7,946,070
Public Health and Welfare	27,822	27,521	27,315	26,731	25,576	25,809	25,278	25,007	24,363	24,166
Capital Outlay	7,197,696	10,081,517	10,554,288	16,326,623	0	6,480,035	14,417,429	10,226,385	7,349,867	5,363,198
Debt Service:										
Principal Retirement	540,000	335,000	350,000	355,000	651,910	658,519	914,716	953,756	945,591	890,000
Interest and Fiscal Charges	289,815	359,868	361,833	472,071	539,959	615,988	676,748	642,186	998,885	954,928
Total Expenditures	\$21,904,106	\$26,538,334	\$28,810,834	\$36,930,278	\$32,301,882	\$32,506,233	\$39,800,919	\$42,666,286	\$40,078,602	\$40,220,458

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Excess (Deficiency) of Revenues Over Expenditures	\$2,371,263	(\$830,058)	\$1,148,178	(\$3,413,939)	(\$674,412)	(\$1,147,522)	(\$4,648,727)	(\$5,075,044)	\$416,879	\$1,676,729
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$0	\$627,309	\$30,615	\$208,032	\$28,662	\$21,086	\$37,572	\$17,295	\$636,750	\$12,002
Proceeds from Capital Lease	0	0	0	394,645	0	0	0	0	0	0
Proceeds of Long-Term Capital-Related Debt	0	4,500,000	0	0	4,500,000	7,500,000	0	0	0	0
Transfers In	6,582,830	5,203,657	3,761,082	2,331,616	2,824,720	3,469,673	2,958,603	3,092,588	6,168,926	4,818,767
Transfers (Out)	(6,882,830)	(5,608,657)	(4,311,082)	(2,781,616)	(3,424,720)	(3,965,673)	(3,708,603)	(3,877,588)	(6,804,926)	(5,648,587)
Total Other Financing Sources (Uses)	(300,000)	4,722,309	(519,385)	152,677	3,928,662	7,025,086	(712,428)	(767,705)	750	(817,818)
Net Change in Fund Balances	\$2,071,263	\$3,892,251	\$628,793	(\$3,261,262)	\$3,254,250	\$5,877,564	(\$5,361,155)	(\$5,842,749)	\$417,629	\$858,911
Debt service as a percentage of noncapital expenditures (1)	5.6%	4.2%	3.9%	4.0%	4.6%	4.4%	5.4%	5.0%	5.9%	5.3%

Source: City Records

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

City of Fairfield
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
1998	\$617,858,990	\$89,418,897	\$37,236,850	\$744,514,737	\$2,127,184,963	4.54
1999	631,172,270	88,625,751	37,098,140	756,896,161	2,162,560,460	4.54
2000	698,696,370	94,392,458	37,139,060	830,227,888	2,372,079,680	4.54
2001	713,313,820	86,791,735	33,922,640	834,028,195	2,382,937,700	5.94
2002	726,716,790	96,412,084	26,214,800	849,343,674	2,426,696,211	5.94
2003	842,270,440	89,464,979	26,456,830	958,192,249	2,737,692,140	5.94
2004	855,233,590	92,277,743	26,640,650	974,151,983	2,783,291,380	5.94
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	3,079,635,732	5.94
2007 (1)	940,328,360	83,540,896	26,584,060	1,050,453,316	3,051,025,200	5.94

Source: County Auditor

(1) - Both Tangible Personal Property and Public Utility Personal Property are expected to further decrease over the next three years due to a change made by the State of Ohio in its tax structure. Currently the State is reimbursing the City for these lost revenues and plans to reimburse 100% of these losses through 2010 at which time the reimbursement is expected to be reduced until 2017.

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
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
Schedule 6

Calendar Year	City Levy	Total Direct Rate	Overlapping Rates		
			County Levy	School Levy	Voactional School Levy
1998	4.54	4.54	8.45	53.56	1.93
1999	4.54	4.54	8.44	54.16	1.93
2000	4.54	4.54	8.45	54.46	1.93
2001	5.94	5.94	8.45	54.23	1.93
2002	5.94	5.94	8.75	54.10	1.93
2003	5.94	5.94	8.75	53.82	1.93
2004	5.94	5.94	8.74	53.82	1.93
2005	5.94	5.94	8.74	58.66	1.93
2006	5.94	5.94	9.44	58.60	1.93
2007	5.94	5.94	10.95	58.60	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
Principal Property Tax Payers
Current Year and Two Years Ago(1)
Schedule 7

2007 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$23,129,960	2.20%
Cincinnati Financial Corp.	16,913,280	1.61%
Sam Boymel Trustee	9,720,740	0.93%
Ohio Casualty Insurance Co.	7,533,520	0.72%
Faith-Village Park Apartments	5,709,930	0.54%
Alliance TP Portfolio LTD	5,540,810	0.53%
TGM Camelot, Inc.	5,260,550	0.50%
Teacher Retirement System	5,105,830	0.49%
Rajole LLC	4,691,700	0.45%
Meijer Stores LTD PRT	4,691,700	0.45%
	<u>\$88,298,020</u>	<u>8.42%</u>

2005 (3)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas & Electric Company	\$20,629,170	2.09%
Cincinnati Financial Corp.	15,927,450	1.62%
Sam Boymel Trustee	9,142,420	0.93%
Ohio Casualty Insurance Co.	6,952,730	0.71%
Faith-Village Park Apartments	5,437,970	0.55%
Cincinnati Bell Telephone	5,309,690	0.54%
Alliance TP Portfolio LTD	5,243,500	0.53%
Teacher Retirement System	5,045,490	0.51%
TGM Camelot, Inc.	5,009,330	0.51%
Cincinnati-Oxford Assn.	4,655,000	0.47%
	<u>\$83,352,750</u>	<u>8.46%</u>

Source: County Auditor

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

(2) - 2007 tax year

(3) - 2005 tax year

City of Fairfield
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
1998	\$2,343,575	\$2,323,993	99.16%	\$65,411	\$2,389,404	101.96%
1999	2,403,795	2,391,493	99.49%	69,951	2,461,444	102.40%
2000	2,565,713	2,481,304	96.71%	45,275	2,526,579	98.47%
2001	4,424,612	4,213,486	95.23%	114,510	4,327,996	97.82%
2002	5,027,858	4,451,961	88.55%	130,067	4,582,028	91.13%
2003	4,701,032	4,723,070	100.47%	147,215	4,870,285	103.60%
2004	4,831,100	4,618,793	95.61%	133,406	4,752,199	98.37%
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%

Source: County Auditor

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

Calendar Year	Income Tax Rate	Percentage of Total							
		Withholding	Business	Individuals	Total	Withholding	Business	Individuals	Total
1998	1.50%	\$9,816,916	\$1,224,949	\$2,754,278	\$13,796,143	71.2%	8.9%	20.0%	100.0%
1999	1.50%	11,215,932	1,508,454	2,695,471	15,419,857	72.7%	9.8%	17.5%	100.0%
2000	1.50%	12,208,006	1,640,703	2,995,555	16,841,779	72.5%	9.7%	17.8%	100.0%
2001	1.50%	13,578,070	1,484,352	3,060,897	18,123,319	74.9%	8.2%	16.9%	100.0%
2002	1.50%	13,613,373	1,513,207	3,100,696	18,227,276	74.7%	8.3%	17.0%	100.0%
2003	1.50%	14,323,319	2,033,946	2,628,683	18,985,948	75.4%	10.7%	13.8%	100.0%
2004	1.50%	15,268,560	2,149,376	3,013,100	20,431,036	74.7%	10.5%	14.7%	100.0%
2005	1.50%	16,077,087	2,481,067	2,861,497	21,419,651	75.1%	11.6%	13.4%	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%

Source: City Finance Department

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

	<u>2007</u>
Name	Amount
Cincinnati Insurance	\$2,642,336
Ohio Casualty Group	1,882,229
Mercy Regional Health System	809,452
Fairfield Board of Education	603,235
Medco Health Solutions	627,406
City of Fairfield	295,328
Pacific Mfg Ohio Inc.	265,875
Koch Meat Co Inc	260,034
Pease Industries Inc	170,211
PNG Telecommunications Inc	<u>170,070</u>
Total Collections - Principal Taxpayers	<u><u>\$7,726,176</u></u>
Total Collections	\$24,116,562
Combined percentage of total income taxes	32.0%

	<u>2005</u>
Name	Amount
Cincinnati Insurance	\$2,334,290
Ohio Casualty Group	1,098,268
Mercy Regional Health System	678,983
Fairfield Board of Education	611,055
Medco Health Solutions	468,951
City of Fairfield	251,053
Pacific Mfg Ohio Inc	200,874
FedEx Freight East Inc	169,021
PNG Telecommunications Inc	148,731
Tri-County Extended Care Ct	<u>146,928</u>
Total Collections - Principal Taxpayers	<u><u>\$6,108,153</u></u>
Total Collections	\$21,419,651
Combined percentage of total income taxes	28.5%

Source: City Finance Department

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

City of Fairfield
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	Notes Payable	Special Assessment		Capital Leases	Loans	General Obligation Bonds					Mortgage Revenue Bonds	
			Bonds				Bonds						
1998	\$1,195,000	\$2,900,000	\$500,000		\$0	\$13,100,042	\$0	\$6,925,000		\$2,350,000	\$26,970,042	0.32%	\$1,034
1999	5,455,000	995,000	405,000		0	13,679,505	0	6,500,000		1,900,000	28,934,505	0.32%	1,053
2000	5,205,000	745,000	305,000		0	12,975,110	0	6,060,000		3,000,000	28,290,110	0.30%	989
2001	4,945,000	4,500,000	210,000		382,998	11,827,062	0	5,600,000		2,550,000	30,015,060	0.31%	1,039
2002	8,945,000	0	130,000		311,088	11,162,823	2,220,000	5,115,000		1,500,000	29,383,911	0.30%	1,004
2003	15,930,000	0	75,000		222,569	10,502,496	2,140,000	4,605,000		1,500,000	34,975,065	0.34%	1,165
2004	15,120,000	0	50,000		149,347	9,923,688	2,060,000	4,070,000		1,500,000	32,873,035	0.30%	1,049
2005	14,275,000	9,000,000	25,000		65,591	9,321,282	1,975,000	3,505,000		4,000,000	42,166,873	0.38%	1,332
2006	13,420,000	9,200,000	0		0	8,694,316	1,885,000	3,280,000		3,000,000	39,479,316	0.34%	1,192
2007	12,530,000	8,000,000	0		0	8,041,787	1,795,000	3,045,000		2,500,000	35,911,787	N/A	N/A

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
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

Calendar Year	General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds		
1998	\$1,195,000	0.06%	\$29
1999	5,455,000	0.25%	130
2000	5,205,000	0.22%	124
2001	4,945,000	0.21%	115
2002	8,945,000	0.37%	206
2003	15,930,000	0.58%	358
2004	15,120,000	0.54%	360
2005	14,275,000	0.51%	337
2006	13,420,000	0.44%	317
2007	12,530,000	0.41%	296

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
Direct and Overlapping Governmental Activities Debt
As of December 31, 2007
Schedule 13

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City of Fairfield</u>
Fairfield City	\$24,825,000	99.96%	\$24,815,070
Butler County	72,294,680	13.19%	9,535,668
Fairfield City School District	31,880,655	71.09%	22,663,958
Lakota L School District	167,258,291	0.44%	735,936
Northwest L School District	20,250,000	0.01%	2,025
Butler Technology & Career Center Jt. Voc. School District	2,000,000	14.99%	299,800
Total Direct and Overlapping Debt	<u>\$318,508,626</u>		<u>\$58,052,457</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
Legal Debt Margin Information
Last Ten Calendar Years
Schedule 14

Legal Debt Margin Calculation for Calendar Year 2007

Assessed value	\$1,050,453,316	\$1,050,453,316
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limitation	110,297,598	57,774,932
Debt applicable to limit:		
Gross Indebtedness	12,530,000	12,530,000
Less: Bond Retirement Fund Balance	124,376	124,376
Total net debt applicable to limit	12,405,624	12,405,624
Legal debt margin	\$97,891,974	\$45,369,308

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Debt Limit (1)										
Debt Limit (10.5%)	\$78,174,047	\$79,474,097	\$87,173,928	\$87,572,960	\$89,181,086	\$100,610,186	\$102,285,958	\$103,507,593	\$110,732,142	\$110,297,598
Total Net Debt Applicable to Limit	3,740,193	6,096,616	5,580,076	9,281,783	8,478,368	15,512,938	14,707,804	13,860,169	12,738,213	12,405,624
Legal Debt Margin	\$74,433,854	\$73,377,481	\$81,593,852	\$78,291,177	\$80,702,718	\$85,097,248	\$87,578,154	\$89,647,424	\$97,993,929	\$97,891,974
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.8%	7.7%	6.4%	10.6%	9.5%	15.4%	14.4%	13.4%	11.5%	11.2%

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$40,948,311	\$41,629,289	\$45,662,534	\$45,871,551	\$46,713,902	\$52,700,574	\$53,578,359	\$54,218,263	\$58,002,551	\$57,774,932
Total Net Debt Applicable to Limit	3,740,193	6,096,616	5,580,076	9,281,783	8,478,368	15,512,938	14,707,804	13,860,169	12,738,213	12,405,624
Legal Debt Margin	\$37,208,118	\$35,532,673	\$40,082,458	\$36,589,768	\$38,235,534	\$37,187,636	\$38,870,555	\$40,358,094	\$45,264,338	\$45,369,308
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.1%	14.6%	12.2%	20.2%	18.1%	29.4%	27.5%	25.6%	22.0%	21.5%

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
Pledged-Revenue Coverage
Last Ten Calendar Years
Schedule 15

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
1998	\$188,127	\$500,000	\$38,130	0.35
1999	202,191	405,000	30,885	0.46
2000	186,351	305,000	23,259	0.57
2001	174,797	210,000	16,015	0.77
2002	160,275	130,000	10,587	1.14
2003	53,988	75,000	5,719	0.67
2004	76,098	50,000	3,813	1.41
2005	161,327	25,000	1,906	6.00
2006	76,373	0	0	N/A
2007	165,387	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
Demographic and Economic Statistics - Butler County
Last Ten Calendar Years
Schedule 16

Calendar Year	Population	Personal Income (Thousands of Dollars) (1)	Per Capita Personal Income (2)	Unemployment Rate (3)
1998	41,759	\$8,560,958	\$26,079	2.30%
1999	41,968	9,087,357	27,475	2.20%
2000	42,097	9,547,252	28,608	2.90%
2001	43,149	9,729,127	28,881	3.20%
2002	43,365	9,938,473	29,273	4.30%
2003	44,449	10,285,549	30,014	4.60%
2004	41,981	10,844,563	31,332	4.80%
2005	42,370	11,080,584	31,662	4.70%
2006	42,370	11,707,628	33,130	4.50%
2007	42,386	N/A	N/A	5.10%

Sources: (1) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
(2) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
(3) - Ohio Bureau of Employment Services

N/A - Information not available

City of Fairfield
Principal Employers
Current Year and Prior Year (1)
Schedule 17

2007 (4)		
Employer	Number of Employees(5)	Percentage of Total City Employment(5)
Cincinnati Financial Corp.	2,900	12.21%
Mercy Hospital Fairfield	1,200	5.05%
Fairfield City School District	1,100	4.63%
Ohio Casualty Group	975	4.10%
Medco Health Solutions	800	3.37%
Pacific Industries	750	3.16%
M Bohlke Veneer Co.	550	2.32%
Tri-County Extended Care	500	2.11%
Koch Foods	450	1.89%
City of Fairfield	400	1.68%
	<u>9,625</u>	<u>40.52%</u>

2006 (2)		
Employer	Number of Employees (3)	Percentage of Total City Employment (3)
Miami University	4,250	2.35%
AK Steel	3,142	1.74%
Cincinnati Insurance Co.	2,600	1.44%
Butler County Government	2,000	1.11%
Ft. Hamilton Memorial Hospital	2,000	1.11%
Middletown Regional Hospital	1,800	1.00%
Mercy Regional Hospital	1,601	0.89%
Lakota School District	1,600	0.88%
Ohio Casualty Insurance Co.	1,300	0.72%
Hamilton City School District	1,150	0.64%
	<u>21,443</u>	<u>11.85%</u>

Source: City Economic Development Division

- (1) - Only current and prior fiscal year information available
- (2) - Data current as of December, 2006
- (3) - Data for all of Butler County
- (4) - Data current as of September 20, 2007
- (5) - Data for City of Fairfield

City of Fairfield
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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
City Administration	6	6	6	6	5	6	6	5	5	5
City Council	1	1	2	2	2	2	2	2	2	2
Engineering	6	7	7	8	8	8	8	7	7	7
Facility/Janitors	2	2	2	2	2	2	2	2	2	2
Municipal Court	13	12	16	18	17	19	19	18	19	21
Finance	14	15	16	19	19	19	20	21	20	20
Public Safety										
Police										
Officers	48	52	57	50	59	60	59	61	60	60
Non-Sworn	16	19	18	18	19	20	20	19	20	21
Fire	6	15	21	23	23	24	24	27	30	30
Leisure Time Activities										
Parks and recreation	14	14	14	18	17	21	21	23	22	22
Community Development										
Planning and Zoning	5	6	6	5	5	4	4	4	4	4
Building Inspection	7	8	8	7	7	7	8	8	9	9
Economic Development	0	0	0	0	1	1	1	1	1	1
Basic Utility Service										
Water	20	20	20	21	21	22	22	21	20	22
Wastewater	21	24	22	21	23	22	23	21	22	22
Transportation and Street Repair	23	23	24	27	27	26	30	30	30	30
Total	202	224	239	245	255	263	269	270	273	278

Source: City Finance Department

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Community Environment										
Planning and Development										
Building permits issued	2,719	1,735	2,203	2,011	2,164	2,140	2,237	2,192	1,910	1,739
Building inspections conducted	(b)	6,629	5,699	5,959	6,847	5,343	5,733	4,895	4,030	3,491
Economic Development										
Value of Residential Construction	\$22,323,114	\$10,435,556	\$14,853,756	\$13,891,545	\$15,291,021	\$19,381,595	\$18,884,763	\$19,727,985	\$15,292,249	\$8,266,873
Value of Commercial Construction	\$59,017,601	\$28,133,086	\$32,012,242	\$36,009,579	\$39,900,230	\$76,493,987	\$28,039,382	\$45,152,931	\$68,682,460	\$31,323,193
General Government										
Finance Department - Income Tax	800	1,016	1,008	1,166	1,228	1,322	1,122	1,126	1,050	1,163
Income Tax Refunds	\$175,323	\$332,367	\$461,841	\$446,399	\$400,338	\$551,286	\$490,110	\$514,281	\$435,208	\$650,850
Dollar Amount of Refunds	\$219	\$327	\$458	\$383	\$326	\$417	\$437	\$457	\$414	\$560
Average Refund Amount										
Court										
Number of Criminal Cases	2,794	2,479	2,356	2,024	2,759	4,111	2,744	3,432	4,066	4,063
Number of Civil Cases	1,076	1,107	1,114	1,217	1,540	1,638	1,928	1,876	1,905	2,014
Construction Services										
Square Footage of Sidewalk Repairs	4,740	11,071	10,835	16,787	47,330	12,823	14,769	1,110	16,439	17,198
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	1,550	1,528	1,514	1,299	1,387	1,483	1,236	1,223	1,178	1,929
Juvenile	376	438	462	394	393	385	382	474	565	441
Citations	7,129	8,099	9,058	8,922	7,207	7,036	5,428	7,354	5,758	3,438
Accidents	1,717	1,744	1,611	1,615	1,563	1,516	1,516	1,470	1,514	1,403
Fire										
Emergency responses	2,602	2,914	3,041	3,226	3,484	3,574	3,681	3,818	4,247	5,257
Fire Calls	154	182	169	153	167	172	143	3,172	4,461	1,244
Inspections	2,820	2,800	2,850	2,900	3,000	3,300	3,200	3,560	3,600	2,841
Transportation										
Public Works										
Number of Street Miles Resurfaced	(b)	7	8	6	8	9	6	6	5	8
Tons of Street Salt Used	1,599	3,412	5,284	1,449	3,240	6,725	4,159	3,811	949	5,648
Cubic Yards of Leaves Picked-up	7,139	8,066	6,264	5,697	7,346	3,053	5,770	5,985	8,054	5,300
Leisure										
Parks and Recreation										
Number of Theater Patrons	(a)	(a)	(a)	(a)	(a)	(a)	(a)	8,113	11,842	12,645
Number of Pool Admissions	28,757	29,197	31,708	34,810	36,550	38,000	40,139	42,614	43,124	42,204
Program Attendance:										
Youth/Preschool	6,872	5,939	6,784	6,823	7,224	8,168	9,259	15,245	18,968	33,535
Fitness	995	223	185	172	320	725	950	6,800	8,311	11,225
Senior Activities	(b)	250	250	275	320	350	420	5,500	9,883	11,152

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Water										
Water main breaks	32	53	47	35	43	43	55	55	35	66
Average daily consumption (millions of gallons)	4.843	5.512	5.572	5.017	5.057	4.789	4.986	5.125	5.040	5.760
Peak daily consumption (millions of gallons)	5.940	6.983	6.430	5.670	7.020	5.366	5.739	6.076	6.546	7.883
Wastewater										
Average daily sewage treatment (millions of gallons)	5.535	5.237	5.553	5.389	5.724	5.717	5.605	5.977	5.308	5.900

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Municipal Building (square footage)	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,795	17,795	17,795	17,795	17,795	17,795	17,795	17,795	50,033	50,033
Police Cruisers	19	19	20	20	20	21	21	21	26	26
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	4	4	4	4	5
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)	330	330	330	367	367	367	380	380	380	289.6
Highways (miles)	10.43	10.43	10.43	10.43	10.43	10.43	10.43	10.43	10.43	7.14
Streetlights	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525
Traffic signals	42	46	47	49	52	53	53	53	55	58
Parks and Recreation										
Number of Parks	19	20	22	24	24	24	24	24	25	25
Area of Parks (acreage)	436.00	436.00	438.05	438.50	438.50	438.50	438.50	438.50	469	469
Playgrounds	8	8	9	9	10	11	11	12	12	12
Baseball/softball diamonds	16	16	16	16	16	16	16	16	16	16
Soccer/football fields	10	10	10	11	11	11	11	11	11	11
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	0	0	0	0	0	0	0	1	1	1
Golf Courses	1	1	1	1	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	172.00
Fire hydrants	2,165	2,217	2,221	2,238	2,255	2,278	2,299	2,301	2,326	2,326
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)	152.30	153.80	157.20	159.80	160.20	160.40	161.00	164.00	166.10	166.10

Source: Various City Departments

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