



Fire Station #32



City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2011

City of Fairfield, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

Prepared By:
Department of Finance
Mary Hopton, Director

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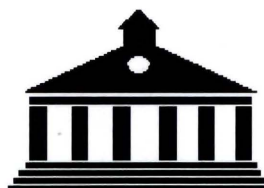
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Introductory Section

June 30, 2012

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, 2011 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Fairfield, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

Incorporated in 1955, the City 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, solid waste collection and disposal, and recreation facilities 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.

The City's employer base continues to help provide a stable backbone for the City's main revenue stream, income taxes. While many other communities are experiencing the loss of jobs, Fairfield has been fortunate to retain desirable businesses and industries keeping jobs in Fairfield.

The City's Income Tax has remained stable through most of 2011. The economic turnaround has been slow but income taxes show that businesses are reinvesting in their employees. The reinvestment in employees has helped the City weather the economic shift over the past few years.

Relevant Financial Policies

The Ohio Biennium Budget (HB 153) passed on June 30, 2011 removed the personal property tax effective July 2011, reduced the City's portion of the Local Government Fund by 50% over the next two years and the estate tax is eliminated as of January 1, 2013. The City has been able to work through the impact of these financial issues without greatly impacting service levels to the residents and businesses.

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 2011:

- 1) Improvements to By-Pass 4 will continue in 2011. These improvements will add two lanes to By-Pass 4 from State Route 4 at the south end, north to Port Union Road. The intersection of Symmes Road and By-Pass 4 is being constructed by the Butler County Transportation Improvement District. This project will also include modifying the intersection of By-Pass 4 and Dixie Highway by creating a diversion road to carry all left turn movements. This project is projected to cost \$10.2 million with outside funding of \$1.2 million.
- 2) Work was completed on Resor Road. The improvements totaled approximately \$924,000 and address public and resident safety on the steep hill portion of the road as well as the replacement of an old water line.
- 3) Construction work began on improvements to Exit 39 on I-275. The improvements include widening of the bridge, ramps and interchange along Gilmore Road, Mack Road and Kolb Drive. This project is expected to cost \$14 million with outside funding from grants and the City of Forest Park totaling \$13.7 million.
- 4) Work was completed on Groh Lane. This project cost approximately \$250,000. This project dealt with road improvements to access the youth football fields as well as the Wastewater Treatment Plant. A community project called the Field of Dreams, which is a privately funded project to create a handicapped accessible baseball field, will also benefit from this road improvement.
- 5) The replacement of the Municipal Building Boiler and Chiller was completed. Since both units were approaching their end of life, the City is opting to replace the equipment before it fails. Both units are crucial to maintaining the Municipal Building.
- 6) The project to upgrade the Department Radio Systems to the new countywide 800 MHz system was completed in 2011. Public safety forces received their radios through Butler County; however, the other City departments purchased the

equipment on their own. Police, Fire, Public Works, Public Utilities and Parks are all be on the new radio system.

Future Projects

Accomplishments and significant capital projects to look forward to in 2012 include the following:

- 1) A Community Development Block Grant will be used to fund a project to demolish a blighted vacant area owned by First Highland. This property was formerly a Fisher Body (General Motors) stamping plant. The demolition will allow for further economic growth at that property.
- 2) Improvements at the intersection State Route 4 and Holden Boulevard will improve the traffic by adding an additional eastbound left turn lane from South Gilmore and an additional westbound turn lane from Holden Boulevard. This project is estimated to cost \$2.7 million with outside funding from the Ohio Department of Transportation of \$2.4 million.
- 3) Improvements along River Road will begin in 2012. These improvements will allow for 12 foot lanes as well as a 2 foot shoulder on this busy road. This project is estimated to cost \$1.6 million with outside funding from the State in the amount of \$985,000.
- 4) The Wastewater Treatment Plant will be replacing their main computer system called a SCADA (Supervisory Control and Data Acquisition) system. The current system has become outdated since the installation in 1988. The cost to replace this system is estimated at \$500,000.

Internal Accounting and Budgetary Controls

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

Budgetary control is maintained at the department level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 2011.

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. An allocation was approved by the citizens in 2003 to allow the City's fiscal flexibility beginning January 1, 2004 with the tax rate remaining at 1.5%. The allocation is for 1.1% of the tax revenues to the General Fund, .2% to the Street Improvement Fund and .2% to the Capital Improvement Fund.

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:

	2011	2010
Allocated to General Fund	\$17,586,611	\$17,303,351
Allocated to .2% Street Improvement Fund	3,197,566	3,146,064
Allocated to .2% Capital Improvement Fund	<u>3,197,566</u>	<u>3,146,064</u>
Gross Revenues	<u>\$23,981,743</u>	<u>\$23,595,479</u>

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The 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, 2010. 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

A handwritten signature in black ink, appearing to read "Arthur E. Pizzano".

Arthur E. Pizzano
City Manager

A handwritten signature in blue ink, appearing to read "Mary Hopton".

Mary Hopton
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Ron D'Epifanio

COUNCIL MEMBERS

Vice Mayor – Terry Senger

Mike Snyder
Mike Oler
Tim Meyers

Mitch Rhodus
Tim Abbott
Marty Judd

APPOINTED OFFICIALS

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

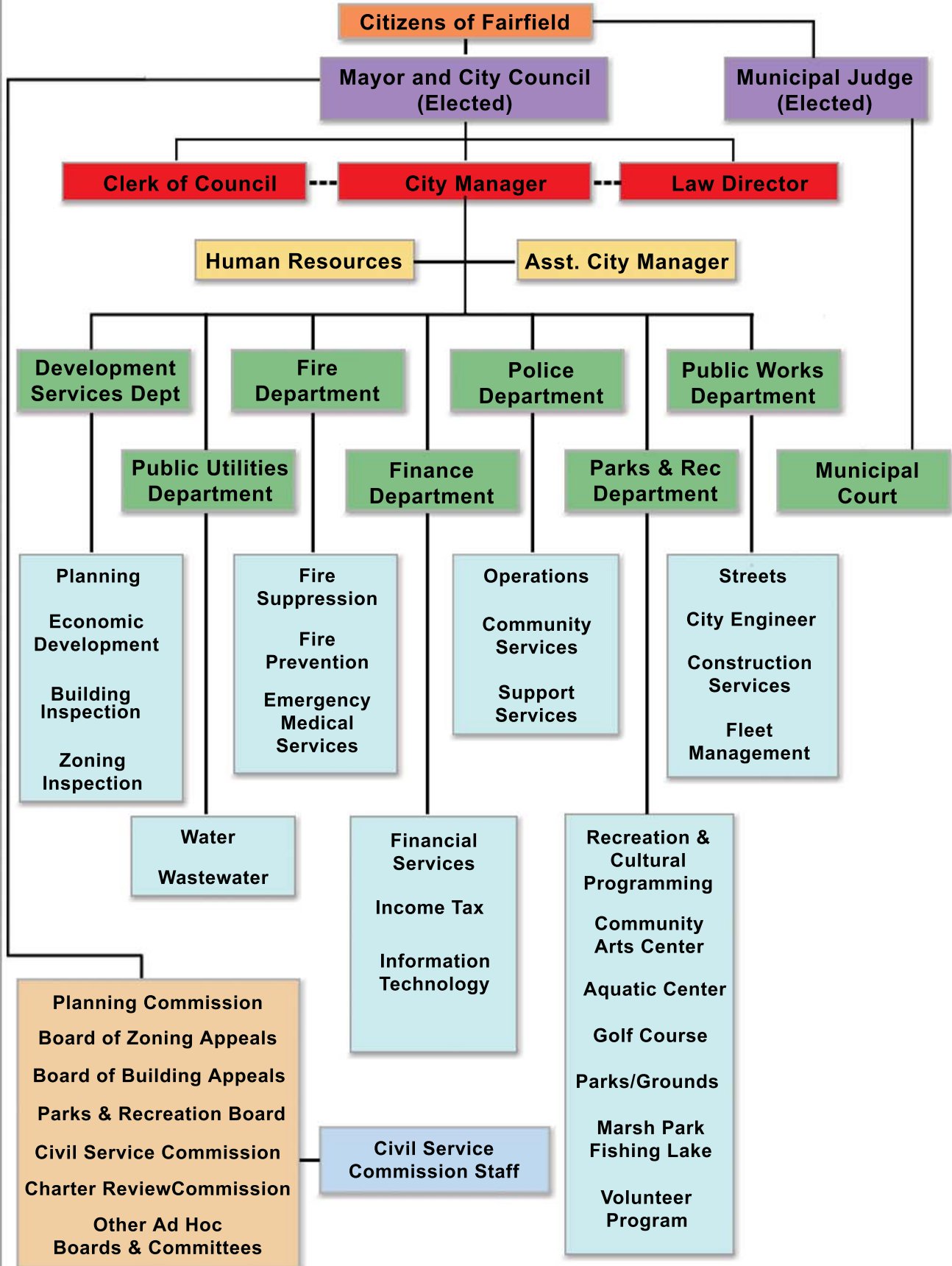
Arthur E. Pizzano
Mark Wendling
Mary Hopton
John H. Clemmons
Dave Butsch
James Bell
Dave Crouch
Timothy Bachman
Michael Dickey
Donald Bennett
Angela Johns

DEPARTMENT OF FINANCE

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

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

City of Fairfield, 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, 2010

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.



Linda C. Sandson

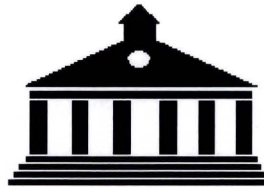
President

Jeffrey R. Enser

Executive Director

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Financial Section

INDEPENDENT AUDITORS' REPORT

To The 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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended December 31, 2011, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 14 and 56 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
June 29, 2012

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

The City of Fairfield's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2011. 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 \$3,633,913. Net assets of governmental activities increased \$3,956,646, net assets of business-type activities decreased by \$322,733.
- The general fund reported a fund balance of \$10,412,877.
- Business-type operations reflected operating (loss) of (\$480,438).
- The City had \$38,591,960 in expenses relating to governmental activities; program revenues offset \$11,031,904 of these expenses. General revenues of \$31,956,702 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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

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, 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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

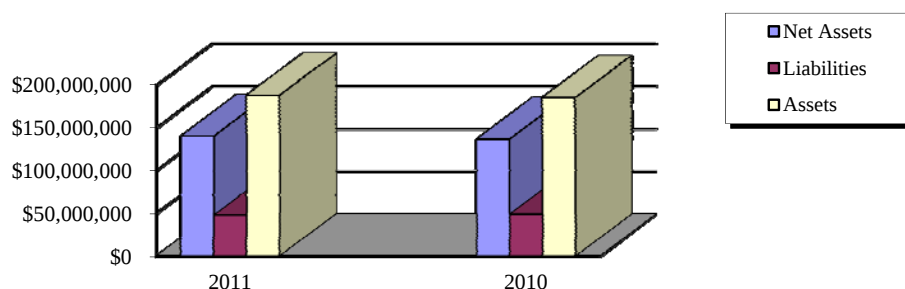
Fiduciary Funds - The City is the fiscal agent for the Municipal Court, Warranty Bonds and Joint Economic Development District. The City's fiduciary responsibility is reported in the Statement of Fiduciary Assets and Liabilities. We exclude these balances from the City's other financial statements because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

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 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and Other Assets	\$41,684,603	\$40,607,961	\$11,661,357	\$12,239,235	\$53,345,960	\$52,847,196
Capital Assets	87,501,410	84,232,622	47,256,432	48,200,587	134,757,842	132,433,209
Total Assets	129,186,013	124,840,583	58,917,789	60,439,822	188,103,802	185,280,405
Liabilities:						
Long-Term Liabilities	27,507,417	28,976,719	8,821,553	9,953,705	36,328,970	38,930,424
Other Liabilities	9,025,188	7,167,102	2,620,999	2,688,147	11,646,187	9,855,249
Total Liabilities	36,532,605	36,143,821	11,442,552	12,641,852	47,975,157	48,785,673
Net Assets:						
Invested in Capital Assets, Net of Related Debt	64,296,950	66,371,105	37,488,020	37,096,724	101,784,970	103,467,829
Restricted	15,986,150	13,308,997	1,018,291	1,018,149	17,004,441	14,327,146
Unrestricted	12,370,308	9,016,660	8,968,926	9,683,097	21,339,234	18,699,757
Total Net Assets	\$92,653,408	\$88,696,762	\$47,475,237	\$47,797,970	\$140,128,645	\$136,494,732



City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Total net assets of the City as a whole increased \$3,633,913. Net assets of the City's governmental activities increased \$3,956,646, while the net assets of the City's business-type activities decreased \$322,733 from 2010. 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 \$21,339,234 that may be used to meet the government's ongoing obligations to citizens and creditors.

Capital Assets increased mainly due to the start and completion of various construction projects throughout the City. Total Long-Term Liabilities decreased mainly due to the City continuing to make its principal payments on its long term debt obligations.

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City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Table 2 shows the changes in net assets at year-end and revenue and expense comparisons to 2010.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Revenues:						
Charges for Services	\$4,301,850	\$4,430,702	\$13,226,649	\$12,594,795	\$17,528,499	\$17,025,497
Operating Grants and Contributions	3,614,620	3,010,499	25,919	65,667	3,640,539	3,076,166
Capital Grants and Contributions	3,115,434	790,846	0	0	3,115,434	790,846
Total Program Revenues	11,031,904	8,232,047	13,252,568	12,660,462	24,284,472	20,892,509
General Revenues:						
Income Taxes	23,652,942	23,206,157	0	0	23,652,942	23,206,157
Property Taxes	5,070,721	5,350,819	0	0	5,070,721	5,350,819
Grants and Entitlements	2,412,622	2,143,796	0	0	2,412,622	2,143,796
Investment Earnings	177,580	216,726	61,252	95,397	238,832	312,123
Other Revenues	642,837	211,309	145,376	142,321	788,213	353,630
Total General Revenues	31,956,702	31,128,807	206,628	237,718	32,163,330	31,366,525
Total Revenues	42,988,606	39,360,854	13,459,196	12,898,180	56,447,802	52,259,034
Program Expenses:						
General Government	8,375,019	8,219,146	0	0	8,375,019	8,219,146
Public Safety	16,309,564	17,357,175	0	0	16,309,564	17,357,175
Leisure Time Activities	3,394,755	3,449,071	0	0	3,394,755	3,449,071
Community Development	1,366,224	1,438,118	0	0	1,366,224	1,438,118
Basic Utility Service	479,877	510,171	0	0	479,877	510,171
Transportation and Street Repair	7,610,384	8,622,712	0	0	7,610,384	8,622,712
Public Health and Welfare	21,998	22,441	0	0	21,998	22,441
Interest and Fiscal Charges	1,034,139	794,384	0	0	1,034,139	794,384
Water Utility	0	0	4,622,668	4,450,415	4,622,668	4,450,415
Sewer Utility	0	0	4,951,150	5,030,761	4,951,150	5,030,761
Solid Waste	0	0	2,581,355	2,513,726	2,581,355	2,513,726
Recreation	0	0	2,066,756	2,358,398	2,066,756	2,358,398
Total Program Expenses	38,591,960	40,413,218	14,221,929	14,353,300	52,813,889	54,766,518
Increase (Decrease) in Net Assets before Transfers	4,396,646	(1,052,364)	(762,733)	(1,455,120)	3,633,913	(2,507,484)
Transfers - Internal Activities	(440,000)	(918,072)	440,000	918,072	0	0
Change in Net Assets	3,956,646	(1,970,436)	(322,733)	(537,048)	3,633,913	(2,507,484)
Net Assets Beginning of Year	88,696,762	90,667,198	47,797,970	48,335,018	136,494,732	139,002,216
Net Assets End of Year	\$92,653,408	\$88,696,762	\$47,475,237	\$47,797,970	\$140,128,645	\$136,494,732

Governmental Activities

The City had an increase in revenues mainly due to an increase in Capital Grants and Contributions that the City received in 2011. Total expenses decreased 4.5%.

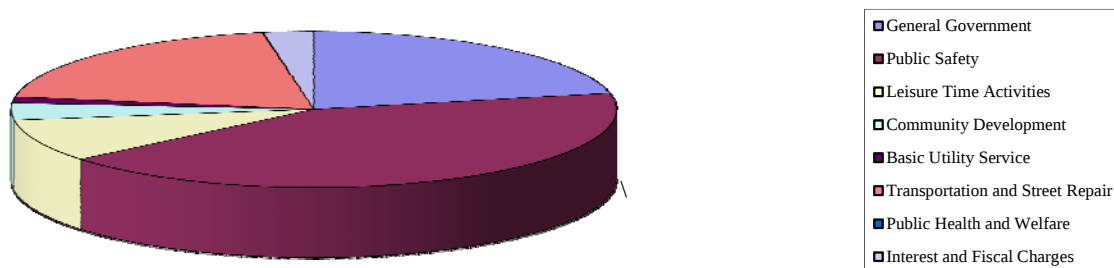
Council was active in promoting economic growth in Fairfield in 2011, as this economic growth does increase the earnings tax base as well. Fairfield has continued attracting employers to our City in the year 2011, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.50% income tax is the largest source of revenue for the City.

City of Fairfield, Ohio
Management's Discussion and Analysis
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(Unaudited)

Revenues generated by the earnings tax represent approximately 74% of the City's governmental activities general revenues. During 2011, when most communities were faced with budget cuts due to the economic downturn of the economy, the City's 2011 earnings tax revenues increased approximately 1.9% over 2010 earnings tax revenues.

Governmental Activities
Program Expenses for 2011

	Percentage
General Government	21.7%
Public Safety	42.3%
Leisure Time Activities	8.8%
Community Development	3.5%
Basic Utility Service	1.2%
Transportation and Street Repair	19.7%
Public Health and Welfare	0.1%
Interest and Fiscal Charges	2.7%
Total	100.0%



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

Income Tax

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

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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. The City's business-type activities had an operating loss of \$480,438 for 2011. The operating revenues for business-type activities were \$13,372,025, while operating expenses were \$13,852,463 for 2011. The operating loss for 2011 was mainly due to the City's charges for services revenue not exceeding the total expenses, since the City does not fully charge its residential customers for this service (the City only charges the residential customers for a portion of the waste collection and subsidizes the rest with an operating transfer).

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.

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

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

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

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

In an effort to respond to increased flows induced during period of extended rainfall, the City embarked on an extensive sewer relief project to alleviate surcharging caused by 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 2007, Council authorized a five-year contract with an option to renew for five additional years with Rumpke for Fairfield residents' waste and recycling collection. Per the City's contract the 2011 rate was \$13.50 per month (paid by the City) for curbside service (\$12.60 was charged back to the resident) and \$7.60 per month (paid by the City) for dumpster service (\$7.11 was charged back to the resident). Annual increases are scheduled throughout the contract which will result in the curbside rate to be \$14.00 and the dumpster rate to be \$7.90 at the end of the five year contract.

City of Fairfield, Ohio
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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 2008, City Council passed an ordinance that structured user charges at \$8.79 per month for curbside service and \$5.80 per month for dumpster service. Annual increases were scheduled through the year 2011.

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

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

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

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

The City's Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and .2% Street Improvement Fund. Assets of the general fund comprised \$15,745,987 (38%), the fire levy fund comprised \$3,548,583 (8%), and the .2% street improvement fund comprised \$9,109,572 (22%), of the total \$41,790,507 governmental funds assets.

General Fund: Fund balance at December 31, 2011 was \$10,412,877, an increase in fund balance of \$1,182,955 from 2010. The general fund had an increase in fund balance mainly due to an increase in taxes revenue.

City of Fairfield, Ohio
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(Unaudited)

Fire Levy Fund: Fund deficit at December 31, 2011 was \$266,862, an increase in fund deficit of \$172,711 from 2010. The increase in fund deficit was mainly due to a decrease in income taxes revenue.

.2% Street Improvement Fund: Fund balance at December 31, 2011 was \$6,210,022. The .2% street improvement fund had a decrease in fund balance primarily due to the City spending the 2010 issuance of \$9.125 million in Roadway Improvement Bonds.

General Fund Budgeting Highlights

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

For the General Fund, the final budgeted expenditures were \$25,638,796 and the final actual expenditures were \$23,014,070. The difference was \$2,624,726. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following: the City conservatively budgeted for the general services and the police and justice center expenditures for 2011. As the City completed the year, its General Fund balance reported an actual fund balance of \$9,014,752, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$134,747,842 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2011 balances compared to 2010:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$16,497,759	\$15,222,076	\$1,641,949	\$1,641,949	\$18,139,708	\$16,864,025
Construction in Progress	11,045,245	6,318,262	312,271	652,153	11,357,516	6,970,415
Buildings and Improvements	47,097,112	47,097,112	47,506,918	47,048,244	94,604,030	94,145,356
Equipment	16,430,967	15,938,205	4,280,169	3,927,264	20,711,136	19,865,469
Infrastructure	78,937,113	78,013,544	33,340,084	32,711,410	112,277,197	110,724,954
Accumulated Depreciation	(82,506,786)	(78,356,577)	(39,824,959)	(37,780,433)	(122,331,745)	(116,137,010)
Total Net Capital Assets	<u>\$87,501,410</u>	<u>\$84,232,622</u>	<u>\$47,256,432</u>	<u>\$48,200,587</u>	<u>\$134,757,842</u>	<u>\$132,433,209</u>

The increase in net capital assets was mainly due to the start and completion of several street construction projects throughout the City.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

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

Debt

The City had \$23,521,066 in Governmental Activities long-term debt and \$8,268,412 in Business-Type Activities long-term debt.

Table 4
Outstanding Debt at Year End

		2011	2010
Governmental Activities:			
<u>Bonds and Notes:</u>			
Various Purpose - 2002	4.33%	\$1,815,000	\$2,135,000
Community Arts Center Bond - 2003	3.74%	5,060,000	5,390,000
Various Purpose Golf and Justice Center - 2009	3.56%	5,630,000	5,860,000
Various Purpose Refunding - 2009	3.23%	2,010,000	2,265,000
Premium/(Discount)		48,331	57,967
Roadway Improvement Bonds - 2010A	4.64-6.09%	6,000,000	6,000,000
Roadway Improvement Bonds - 2010B	3.74-4.44%	1,230,000	1,230,000
Roadway Improvement Bonds - 2010C	2.00-2.25%	1,530,000	1,895,000
Total Bonds and Notes:		23,323,331	24,832,967
Capital Lease	5.31%	197,735	275,282
Total Governmental Activities		<u>\$23,521,066</u>	<u>\$25,108,249</u>
Business Type Activities:			
OWDA Wastewater Improvement Loan	3.79-4.12%	\$5,154,545	\$5,920,185
Various Purpose Recreation Bonds	4.34%	1,395,000	1,500,000
Water Refunding Mortgage Revenue Bond - 2009	3.15%	1,690,000	1,950,000
Premium on Various Purpose Water Refunding - 2009		28,867	33,678
Total Business Type Activities		<u>\$8,268,412</u>	<u>\$9,403,863</u>

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

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Economic Factors

The City of Fairfield is not immune to economic conditions that have negatively affected many public and private entities. The City of Fairfield's systems of budgeting and internal controls are well regarded, and the City is well prepared to meet the challenges of the future. In addition, management has been committed to providing its residents with full disclosure of the financial position of the City.

The Ohio Biennium Budget (HB 153) passed on June 30, 2011 removed the personal property tax effective July 2011, reduced the City's portion of the Local Government Fund by 50% over the next two years and the estate tax is eliminated as of January 1, 2013. The City has been able to work through the impact of these financial issues without greatly impacting service levels to the residents and businesses.

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, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$29,039,555	\$9,009,859	\$38,049,414
Restricted Cash and Investments	0	1,018,291	1,018,291
Receivables:			
Taxes	9,661,465	0	9,661,465
Accounts	278,080	1,363,491	1,641,571
Interest	31,217	7,284	38,501
Intergovernmental	2,303,500	25,919	2,329,419
Special Assessments	180,930	0	180,930
Deferred Bond Issuance Costs	189,856	14,573	204,429
Inventory	0	221,940	221,940
Nondepreciable Capital Assets	27,543,004	1,954,220	29,497,224
Depreciable Capital Assets, Net	59,958,406	45,302,212	105,260,618
Total Assets	129,186,013	58,917,789	188,103,802
Liabilities:			
Accounts Payable	772,198	448,538	1,220,736
Accrued Wages and Benefits	1,857,230	316,247	2,173,477
Accrued Interest Payable	87,120	14,625	101,745
Unearned Revenue	4,043,700	0	4,043,700
Other Liabilities	0	183,592	183,592
Claims Payable	14,940	0	14,940
Due To Other Governments	0	157,997	157,997
Bond Anticipation Notes Payable	2,250,000	1,500,000	3,750,000
Long-Term Liabilities:			
Due Within One Year	1,654,175	1,211,461	2,865,636
Due In More Than One Year	25,853,242	7,610,092	33,463,334
Total Liabilities	36,532,605	11,442,552	47,975,157
Net Assets:			
Invested in Capital Assets, Net of Related Debt	64,296,950	37,488,020	101,784,970
Restricted for:			
Debt Service	1,646,970	0	1,646,970
Capital Projects	8,602,106	1,018,291	9,620,397
Street Construction and Repair	664,854	0	664,854
Court Services	4,173,682	0	4,173,682
Other Purposes	898,538	0	898,538
Unrestricted	12,370,308	8,968,926	21,339,234
Total Net Assets	\$92,653,408	\$47,475,237	\$140,128,645

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$8,375,019	\$2,333,954	\$30,766	\$0
Public Safety	16,309,564	1,224,775	539,821	0
Leisure Time Activities	3,394,755	252,125	0	860,000
Community Development	1,366,224	79,800	0	1,334,302
Basic Utility Service	479,877	384,635	0	0
Transportation and Street Repair	7,610,384	26,561	3,044,033	921,132
Public Health and Welfare	21,998	0	0	0
Interest and Fiscal Charges	1,034,139	0	0	0
Total Governmental Activities	38,591,960	4,301,850	3,614,620	3,115,434
Business-Type Activities:				
Water Utility	4,622,668	3,749,292	0	0
Sewer Utility	4,951,150	5,229,115	0	0
Solid Waste	2,581,355	2,294,545	25,919	0
Recreation	2,066,756	1,953,697	0	0
Total Business-Type Activities	14,221,929	13,226,649	25,919	0
Totals	\$52,813,889	\$17,528,499	\$3,640,539	\$3,115,434

General Revenues:
Income Taxes
Property Taxes Levied for:
General Purposes
Special Revenue Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
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
(\$6,010,299)	\$0	(\$6,010,299)
(14,544,968)	0	(14,544,968)
(2,282,630)	0	(2,282,630)
47,878	0	47,878
(95,242)	0	(95,242)
(3,618,658)	0	(3,618,658)
(21,998)	0	(21,998)
(1,034,139)	0	(1,034,139)
<u>(27,560,056)</u>	<u>0</u>	<u>(27,560,056)</u>
0	(873,376)	(873,376)
0	277,965	277,965
0	(260,891)	(260,891)
<u>0</u>	<u>(113,059)</u>	<u>(113,059)</u>
<u>0</u>	<u>(969,361)</u>	<u>(969,361)</u>
<u>(27,560,056)</u>	<u>(969,361)</u>	<u>(28,529,417)</u>
23,652,942	0	23,652,942
1,474,934	0	1,474,934
3,595,787	0	3,595,787
2,412,622	0	2,412,622
177,580	61,252	238,832
642,837	145,376	788,213
<u>(440,000)</u>	<u>440,000</u>	<u>0</u>
<u>31,516,702</u>	<u>646,628</u>	<u>32,163,330</u>
3,956,646	(322,733)	3,633,913
<u>88,696,762</u>	<u>47,797,970</u>	<u>136,494,732</u>
<u>\$92,653,408</u>	<u>\$47,475,237</u>	<u>\$140,128,645</u>

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General	Fire Levy	.2% Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$9,282,709	\$166,311	\$8,367,665	\$10,903,573	\$28,720,258
Receivables:					
Taxes	5,019,469	3,199,064	721,466	721,466	9,661,465
Accounts	278,080	0	0	0	278,080
Interest	13,783	0	14,056	3,378	31,217
Intergovernmental	536,889	183,208	6,325	1,577,078	2,303,500
Special Assessments	0	0	0	180,930	180,930
Interfund	615,057	0	0	0	615,057
Total Assets	<u>15,745,987</u>	<u>3,548,583</u>	<u>9,109,512</u>	<u>13,386,425</u>	<u>41,790,507</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	229,250	14,473	234,009	288,811	766,543
Accrued Wages and Benefits	1,273,606	418,700	0	131,923	1,824,229
Compensated Absences	0	0	0	9,142	9,142
Interfund Payable	0	0	0	615,057	615,057
Deferred Revenue	3,830,254	3,382,272	415,481	1,975,556	9,603,563
Bond Anticipation Notes Payable	0	0	2,250,000	0	2,250,000
Total Liabilities	<u>5,333,110</u>	<u>3,815,445</u>	<u>2,899,490</u>	<u>3,020,489</u>	<u>15,068,534</u>
Fund Balances:					
Restricted	0	0	6,210,022	10,794,115	17,004,137
Assigned	251,377	0	0	212,497	463,874
Unassigned	10,161,500	(266,862)	0	(640,676)	9,253,962
Total Fund Balances	<u>10,412,877</u>	<u>(266,862)</u>	<u>6,210,022</u>	<u>10,365,936</u>	<u>26,721,973</u>
Total Liabilities and Fund Balances	<u>\$15,745,987</u>	<u>3,548,583</u>	<u>\$9,109,512</u>	<u>\$13,386,425</u>	<u>\$41,790,507</u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities
December 31, 2011

Total Governmental Fund Balance	\$26,721,973
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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.	87,501,410
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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	\$3,015,624	
Delinquent Property Taxes	206,769	
Interest	29,139	
Intergovernmental	1,968,176	
Other	<u>340,155</u>	
		5,559,863

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.	177,980
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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.	(87,120)
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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	(3,889,488)

Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.	189,856
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(23,521,066)</u>
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Net Assets of Governmental Activities	<u><u>\$92,653,408</u></u>
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See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2011

	General	Fire Levy	.2% Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$18,700,718	\$3,580,783	\$3,151,035	\$3,151,035	\$28,583,571
Fines, Licenses & Permits	1,347,825	5,775	0	828,621	2,182,221
Charges for Services	1,178,685	1,191,373	0	0	2,370,058
Investment Earnings	72,034	48	59,921	79,361	211,364
Intergovernmental	2,908,238	386,298	968,360	3,119,580	7,382,476
Special Assessments	16,112	0	0	2,914	19,026
Other Revenues	291,667	10,086	8,984	883,252	1,193,989
Total Revenues	24,515,279	5,174,363	4,188,300	8,064,763	41,942,705
Expenditures:					
Current:					
General Government	7,486,024	0	0	382,314	7,868,338
Public Safety	9,895,172	5,349,228	0	32,512	15,276,912
Leisure Time Activities	2,527,523	0	0	0	2,527,523
Community Development	1,326,096	0	0	0	1,326,096
Basic Utility Service	479,877	0	0	0	479,877
Transportation and Street Repair	0	0	1,858,786	3,456,270	5,315,056
Public Health and Welfare	21,998	0	0	0	21,998
Capital Outlay	46,650	1,062	5,196,085	2,454,123	7,697,920
Debt Service:					
Principal Retirement	77,547	0	0	1,500,000	1,577,547
Interest and Fiscal Charges	12,737	0	0	1,011,650	1,024,387
Total Expenditures	21,873,624	5,350,290	7,054,871	8,836,869	43,115,654
Excess of Revenues Over (Under) Expenditures	2,641,655	(175,927)	(2,866,571)	(772,106)	(1,172,949)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	17,300	3,216	0	5,413	25,929
Transfers In	0	0	0	3,591,239	3,591,239
Transfers (Out)	(1,476,000)	0	(1,198,612)	(1,522,627)	(4,197,239)
Total Other Financing Sources (Uses)	(1,458,700)	3,216	(1,198,612)	2,074,025	(580,071)
Net Change in Fund Balance	1,182,955	(172,711)	(4,065,183)	1,301,919	(1,753,020)
Fund Balance (Deficit) Beginning of Year	9,229,922	(94,151)	10,275,205	9,064,017	28,474,993
Fund Balance (Deficit) End of Year	\$10,412,877	(\$266,862)	\$6,210,022	\$10,365,936	\$26,721,973

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2011

Net Change in Fund Balance - Total Governmental Funds (\$1,753,020)

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	\$7,677,112	
Depreciation Expense	<u>(4,376,782)</u>	
		3,300,330

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.

(31,542)

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

Income Taxes	\$121,539	
Delinquent Property Taxes	16,241	
Interest	7,940	
Intergovernmental	742,920	
Other	<u>157,261</u>	
		1,045,901

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.

1,577,547

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

(2,117)

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	(\$189,109)	
Amortization of Bond Issuance Cost	(17,271)	
Amortization of Bond Premium	<u>9,636</u>	
		(196,744)

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.

16,291

Change in Net Assets of Governmental Activities \$3,956,646

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	
Current Assets:						
Equity in Pooled Cash and Investments	\$5,057,553	\$3,058,622	\$274,095	\$619,589	\$9,009,859	\$319,297
Restricted Cash and Investments	1,018,291	0	0	0	1,018,291	0
Receivables:						
Accounts	453,355	613,162	296,974	0	1,363,491	0
Interest	4,899	2,313	0	72	7,284	0
Intergovernmental	0	0	25,919	0	25,919	0
Inventory	211,284	0	0	10,656	221,940	0
Total Current Assets	6,745,382	3,674,097	596,988	630,317	11,646,784	319,297
Noncurrent Assets:						
Nondepreciable Capital Assets	1,060,139	387,081	0	507,000	1,954,220	0
Depreciable Capital Assets, Net	16,582,124	25,380,216	0	3,339,872	45,302,212	0
Deferred Bond Issuance Costs	14,573	0	0	0	14,573	0
Total Noncurrent Assets	17,656,836	25,767,297	0	3,846,872	47,271,005	0
Total Assets	24,402,218	29,441,394	596,988	4,477,189	58,917,789	319,297
Liabilities:						
Accounts Payable	179,418	45,029	216,031	8,060	448,538	5,655
Accrued Wages and Benefits	129,697	143,593	454	42,503	316,247	33,001
Compensated Absences	16,705	17,291	28	5,580	39,604	0
Accrued Interest Payable	4,430	5,208	0	4,987	14,625	0
Other Liabilities	183,592	0	0	0	183,592	0
Claims Payable	0	0	0	0	0	14,940
Due To Other Governments	0	157,997	0	0	157,997	0
Bond Anticipation Notes Payable	0	1,500,000	0	0	1,500,000	0
Long-Term Liabilities Due Within One Year	265,000	796,857	0	110,000	1,171,857	0
Total Current Liabilities	778,842	2,665,975	216,513	171,130	3,832,460	53,596
Long-Term Liabilities:						
Compensated Absences	216,607	224,206	370	72,354	513,537	87,721
Bonds, Notes & Loans Payable	1,453,867	4,357,688	0	1,285,000	7,096,555	0
Total Long-Term Liabilities	1,670,474	4,581,894	370	1,357,354	7,610,092	87,721
Total Liabilities	2,449,316	7,247,869	216,883	1,528,484	11,442,552	141,317
Net Assets:						
Invested in Capital Assets, Net of Related Debt	15,923,396	19,112,752	0	2,451,872	37,488,020	0
Restricted for:						
Capital Projects	1,018,291	0	0	0	1,018,291	0
Unrestricted	5,011,215	3,080,773	380,105	496,833	8,968,926	177,980
Total Net Assets	\$21,952,902	\$22,193,525	\$380,105	\$2,948,705	\$47,475,237	\$177,980

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	
Operating Revenues:						
Fines, Licenses & Permits	\$21,692	\$39,884	\$0	\$0	\$61,576	\$0
Charges for Services	3,727,600	5,189,231	2,294,545	1,953,697	13,165,073	4,621,923
Other Revenues	114,530	5,676	8	25,162	145,376	10,566
Total Operating Revenues	3,863,822	5,234,791	2,294,553	1,978,859	13,372,025	4,632,489
Operating Expenses:						
Personal Services	1,961,326	2,250,166	24,507	964,549	5,200,548	489,649
Contractual Services	1,185,512	863,139	2,556,170	507,894	5,112,715	3,977,686
Materials and Supplies	702,481	431,396	678	358,902	1,493,457	314,863
Depreciation	718,671	1,159,716	0	167,356	2,045,743	0
Total Operating Expenses	4,567,990	4,704,417	2,581,355	1,998,701	13,852,463	4,782,198
Operating Income (Loss)	(704,168)	530,374	(286,802)	(19,842)	(480,438)	(149,709)
Non-Operating Revenues (Expenses):						
Investment Earnings	58,075	2,338	0	839	61,252	0
Interest (Expense)	(54,678)	(246,733)	0	(68,055)	(369,466)	0
Operating Grants	0	0	25,919	0	25,919	0
Total Non-Operating Revenues (Expenses)	3,397	(244,395)	25,919	(67,216)	(282,295)	0
Income (Loss) Before Transfers	(700,771)	285,979	(260,883)	(87,058)	(762,733)	(149,709)
Transfers In	0	0	290,000	150,000	440,000	166,000
Change in Net Assets	(700,771)	285,979	29,117	62,942	(322,733)	16,291
Net Assets Beginning of Year	22,653,673	21,907,546	350,988	2,885,763	47,797,970	161,689
Net Assets End of Year	\$21,952,902	\$22,193,525	\$380,105	\$2,948,705	\$47,475,237	\$177,980

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities	Total Business-Type Activities	
Cash Flows from Operating Activities:						
Cash Received from Customers	\$3,980,231	\$5,189,412	\$2,261,955	\$1,978,859	\$13,410,457	\$4,632,489
Cash Payments to Employees	(1,952,374)	(2,259,159)	(25,598)	(965,998)	(5,203,129)	(489,806)
Cash Payments to Suppliers	(1,895,482)	(1,381,761)	(2,341,467)	(870,782)	(6,489,492)	(4,288,444)
Net Cash Provided (Used) by Operating Activities	132,375	1,548,492	(105,110)	142,079	1,717,836	(145,761)
Cash Flows from Noncapital Financing Activities:						
Operating Grants Received	0	0	32,159	0	32,159	0
Transfers from Other Funds	0	0	290,000	150,000	440,000	166,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	322,159	150,000	472,159	166,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(930,697)	(111,580)	0	(59,833)	(1,102,110)	0
Debt Principal Payments	(260,000)	(765,640)	0	(105,000)	(1,130,640)	0
Debt Interest Payments	(57,375)	(250,450)	0	(68,568)	(376,393)	0
Issuance of Short-Term Notes	0	1,500,000	0	0	1,500,000	0
Payment of Short-Term Notes	0	(1,700,000)	0	0	(1,700,000)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,248,072)	(1,327,670)	0	(233,401)	(2,809,143)	0
Cash Flows from Investing Activities:						
Earnings on Investments	58,550	2,029	0	767	61,346	0
Net Cash Provided (Used) by Cash Flows from Investing Activities	58,550	2,029	0	767	61,346	0
Net Increase (Decrease) in Cash and Cash Equivalents	(1,057,147)	222,851	217,049	59,445	(557,802)	20,239
Cash and Cash Equivalents Beginning of Year	7,132,991	2,835,771	57,046	560,144	10,585,952	299,058
Cash and Cash Equivalents End of Year	6,075,844	3,058,622	274,095	619,589	\$10,028,150	319,297
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	(704,168)	530,374	(286,802)	(19,842)	(\$480,438)	(149,709)
Adjustments:						
Depreciation	718,671	1,159,716	0	167,356	2,045,743	0
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	51,034	(45,379)	(32,598)	0	(26,943)	0
(Increase) Decrease in Inventory	43,509	0	0	(5,253)	38,256	0
Increase (Decrease) in Payables	(2,273)	(201,604)	215,381	1,267	12,771	4,105
Increase (Decrease) in Accrued Liabilities	25,602	105,385	(1,091)	(1,449)	128,447	(157)
Net Cash Provided (Used) by Operating Activities	\$132,375	\$1,548,492	(\$105,110)	\$142,079	\$1,717,836	(\$145,761)

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2011

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$134,807
Receivables:	
Accounts	<u>158,893</u>
Total Assets	<u>293,700</u>
Liabilities:	
Other Liabilities	<u>293,700</u>
Total Liabilities	<u>\$293,700</u>

See accompanying notes to the basic financial statements.

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

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

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance 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. For the business-type activities and to its enterprise funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City’s accounting policies are described below.

Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 funds are presented in a single column on the face of the proprietary fund statements. The City’s only fiduciary funds are agency funds.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 two-tenths of the City's income tax.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Fiduciary Funds

Fiduciary fund reporting focuses on net 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 three agency funds are Warranty Bonds (used to account for warranty bonds collected), Municipal Court (used to account for funds collected by the court until such time as the funds can be distributed to individuals, private organizations, other governmental units and/or other funds) and Joint Economic Development District (used to account for various economic development projects). Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has no trust funds.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011 amounted to \$72,034 in the general fund, \$48 in the fire levy fund, \$59,921 in the .2% street improvement fund, \$79,361 in other governmental funds, \$58,075 in the water utility fund, \$2,338 in the sewer utility fund, and \$839 in the recreation facilities fund.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

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

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
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The City applies restricted resources first when an expenditure is incurred for purposes which both restricted and unrestricted fund balances are available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Restricted Assets

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

Net 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 \$15,986,150 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAROhio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years 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, 2011, \$8,692,316 of the City's bank balance of \$23,165,572 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$6,786,555	1.96
Federal Farm Credit Bank	770,175	1.24
STAROhio	9,000,000	0.16
Total Fair Value	<u>\$16,556,730</u>	
Portfolio Weighted Average Maturity		0.95

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 and Federal Farm Credit Bank were rated AA+ by Standard and Poor’s and Aaa by Moody’s Investors Service. Investments in STAROhio were rated AAAM by Standard & Poors.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 41% in Federal Home Loan Bank, 5% in Federal Farm Credit Bank and 54% 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 4 – Receivables

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

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

Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property tax revenues received in 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of December 31, 2011. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

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

	Amount
Real Property	\$923,744,720
Public Utility	30,787,720
Total	<u>\$954,532,440</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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 property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2011. 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 2011 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.

Note 5 – Risk Management

Description

The City carries insurance to cover general liability risks, fire protection, police professional liability, automotive fleet and errors and omissions for public officials. The City has established an Employees Benefit Fund to account for the cost of the City's self-insured dental care claims and the payment of insurance premiums for medical benefits. 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.

City of Fairfield, Ohio
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For the Year Ended December 31, 2011

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. All claims payable are expected to be paid off in one year.

Unpaid Claim Liabilities

The following figures represent the changes in dental claims liabilities for the City from January 1, 2010 to December 31, 2011:

Claims Liability, 1/1/2010	\$12,942
Claims net of changes in estimates	277,294
Payments	(276,227)
Claims Liability, 12/31/2010	14,009
Claims net of changes in estimates	238,407
Payments	(237,476)
Claims Liability, 12/31/2011	<u>\$14,940</u>

Note 6 – 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	\$15,222,076	\$1,275,683	\$0	\$16,497,759
Construction in Progress	6,318,262	6,125,654	1,398,671	11,045,245
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	47,097,112	0	0	47,097,112
Equipment	15,938,205	750,877	258,115	16,430,967
Infrastructure	78,013,544	923,569	0	78,937,113
Totals at Historical Cost	<u>162,589,199</u>	<u>9,075,783</u>	<u>1,656,786</u>	<u>170,008,196</u>
Less Accumulated Depreciation:				
Buildings and Improvements	16,806,624	1,403,805	0	18,210,429
Equipment	12,017,090	1,068,354	226,573	12,858,871
Infrastructure	49,532,863	1,904,623	0	51,437,486
Total Accumulated Depreciation	<u>78,356,577</u>	<u>4,376,782</u>	<u>226,573</u>	<u>82,506,786</u>
Governmental Activities Capital Assets, Net	<u>\$84,232,622</u>	<u>\$4,699,001</u>	<u>\$1,430,213</u>	<u>\$87,501,410</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,641,949	\$0	\$0	\$1,641,949
Construction in Progress	652,153	128,247	468,129	312,271
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	47,048,244	458,674	0	47,506,918
Equipment	3,927,264	354,644	1,739	4,280,169
Infrastructure	32,711,410	628,674	0	33,340,084
Totals at Historical Cost	85,981,020	1,570,239	469,868	87,081,391
Less Accumulated Depreciation:				
Buildings and Improvements	21,083,459	965,822	0	22,049,281
Equipment	2,684,368	257,900	1,217	2,941,051
Infrastructure	14,012,606	822,021	0	14,834,627
Total Accumulated Depreciation	37,780,433	2,045,743	1,217	39,824,959
Business-Type Activities Capital Assets, Net	<u>\$48,200,587</u>	<u>(\$475,504)</u>	<u>\$468,651</u>	<u>\$47,256,432</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$457,963
Public Safety	909,610
Leisure Time Activities	739,401
Community Development	18,519
Transportation and Street Repair	2,251,289
Total Depreciation Expense	<u>\$4,376,782</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

All full time City employees 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 – Notes Payable

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

		Beginning Balance	Issued	Retired	Ending Balance
.2% Street Improvement Fund:					
Exit 39 Winton / Gilmore	0.74%	\$0	\$2,250,000	\$0	\$2,250,000
Sewer Utility Fund:					
Sewer Expansion	1.50%	1,700,000	0	(1,700,000)	0
Sewer Expansion	1.00%	0	1,500,000	0	1,500,000
Total Notes Payable		<u>\$1,700,000</u>	<u>\$3,750,000</u>	<u>(\$1,700,000)</u>	<u>\$3,750,000</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.

Note 9 – Long-Term Debt

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
General Obligation Bonds						
2003 Community Arts Center	3.74%	\$5,390,000	\$0	(\$330,000)	\$5,060,000	\$345,000
2002 Various Purpose	4.33%	2,135,000	0	(320,000)	1,815,000	330,000
2009 Various Purpose	3.56%	5,860,000	0	(230,000)	5,630,000	235,000
2009 Various Purpose Refunding	3.23%	2,265,000	0	(255,000)	2,010,000	260,000
Premium/(Discount)		57,967	0	(9,636)	48,331	0
2010 A Roadway Improvement	4.64-6.09%	6,000,000	0	0	6,000,000	0
2010 B Roadway Improvement	3.74-4.44%	1,230,000	0	0	1,230,000	0
2010 C Roadway Improvement	2.00-2.25%	1,895,000	0	(365,000)	1,530,000	370,000
Total General Obligation Bonds		<u>24,832,967</u>	<u>0</u>	<u>(1,509,636)</u>	<u>23,323,331</u>	<u>1,540,000</u>
Capital Leases		<u>275,282</u>	<u>0</u>	<u>(77,547)</u>	<u>197,735</u>	<u>81,763</u>
Total Long-Term Liabilities		<u>25,108,249</u>	<u>0</u>	<u>(1,587,183)</u>	<u>23,521,066</u>	<u>1,621,763</u>
Compensated Absences		<u>3,868,470</u>	<u>319,314</u>	<u>(201,433)</u>	<u>3,986,351</u>	<u>32,412</u>
Total Governmental Activities		<u>\$28,976,719</u>	<u>\$319,314</u>	<u>(\$1,788,616)</u>	<u>\$27,507,417</u>	<u>\$1,654,175</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities						
<u>Loans</u>						
OWDA Wastewater Improvement	3.79-4.12%	\$5,920,185	\$0	(\$765,640)	\$5,154,545	\$796,857
<u>General Obligation Bonds</u>						
2002 Various Purpose Recreation	4.34%	1,500,000	0	(105,000)	1,395,000	110,000
2009 Various Purpose Refunding	3.15%	1,950,000	0	(260,000)	1,690,000	265,000
Premium on Refunding		33,678	0	(4,811)	28,867	0
Total General Obligation Bonds		3,483,678	0	(369,811)	3,113,867	375,000
Compensated Absences		549,842	36,119	(32,820)	553,141	39,604
Total Business-Type Activities		\$9,953,705	\$36,119	(\$1,168,271)	\$8,821,553	\$1,211,461

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

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

Year Ending December 31	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2012	\$1,915,000	\$1,083,495	\$796,857	\$199,863
2013	1,975,000	1,027,743	829,351	167,368
2014	2,025,000	970,315	863,168	133,552
2015	2,100,000	907,790	898,363	98,354
2016	2,175,000	838,015	934,996	61,722
2017-2021	7,485,000	3,116,329	831,810	30,336
2022-2026	5,200,000	1,635,537	0	0
2027-2030	3,485,000	458,049	0	0
Total	\$26,360,000	\$10,037,273	\$5,154,545	\$691,195

Note 10 – Defeasance of Bonds

Special Assessment Bonds

The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 2011 was \$125,758. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Capital Lease

The City entered into a capital lease for phone equipment for a voicemail system in prior years.

The City's lease obligations meet the criteria of a capital lease as defined by FASB Guidance, and have been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. Capital lease payments will be made from the general fund.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Fiscal Year Ending December 31,	Long-Term Debt
2012	\$90,288
2013	90,288
2014	30,096
Total Minimum Lease Payments	210,672
Less: Amount Representing Interest	(12,937)
Present Value of Minimum Lease Payments	\$197,735

Capital assets acquired under capital leases in accordance with FASB Guidance are as follows:

Equipment	\$378,346
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Note 12 – Pension Plans

Ohio Public Employees Retirement System

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2011, 2010 and 2009 were \$1,633,229, \$1,813,630, and \$1,764,451 respectively. The full amount has been contributed for 2010 and 2009, and 92 percent has actually been contributed for 2011. The City's unpaid contractually required OPERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2011, 2010 and 2009 were \$940,289 (police) and \$553,454 (fire), \$935,369 (police) and \$564,636 (fire), and \$917,143 (police) and \$553,840 (fire), respectively. The 77% for police and fire has actually been contributed for 2011 and the full amount has been contributed for 2010 and 2009. The City's unpaid contractually required OP&F contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 13 – 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, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$466,614 for 2011; \$136,801 for the period January 1 through February 28, 2010, and \$523,310 for the period of March 1 through December 31, 2010; and \$183,336 for the period of January 1 through March 31, 2009, and \$550,009 for the period of April 1 through December 31, 2009. The full amount has been contributed for 2010 and 2009, and 92 percent has been contributed for 2011.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Ohio Police and Fire Pension Fund

Plan Description

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2011 were \$325,340 (police) and \$155,521 (fire); for the year ending December 31, 2010 were \$321,021 (police) and \$157,167 (fire); and for the year ending December 31, 2009 were \$319,345 (police) and \$154,485 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2009 and 2010 were 100% and 77% (police) and 77% (fire) has been contributed for 2011.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 14 – Construction Commitments

The City had the following outstanding commitments at year end:

Project	Spent-to-date	Commitment Remaining
By-Pass 4 Widening	\$5,261,314	\$4,158,745
I-275 / Exit 39 South Gilmore/Winton Rd.	1,177,172	843,918
Route 4 Pump Station	3,420	189,465
Boiler & Chiller-Municipal Building		157,845
Re-roofing Municipal Building		149,943
Totals	<u>\$6,441,906</u>	<u>\$5,499,916</u>

Note 15 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2011, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 16 – Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Interfund		Transfers	
	Receivable	Payable	In	Out
Major Funds:				
General	\$615,057	\$0	\$0	\$1,476,000
.2% Street Improvement	0	0	0	1,198,612
Solid Waste Management	0	0	290,000	0
Recreation Facilities	0	0	150,000	0
Internal Service	0	0	166,000	0
Other Governmental Funds	0	615,057	3,591,239	1,522,627
Totals	<u>\$615,057</u>	<u>\$615,057</u>	<u>\$4,197,239</u>	<u>\$4,197,239</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

The City made various GAAP transfers from the Other Governmental Funds (Debt Service Fund) to the .2% Street Improvements Fund and Recreation Facilities Fund for debt service transactions.

Note 17 – Joint Venture

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

A 1.0% income tax was enacted for the JEDD. Imposition of tax began on September 15, 2009 and terminates December 31, 2049, with three five year extensions.

The City financial contributions to the JEDD will assist in facilitating the economic development within the District by assisting with marketing of the District.

Distribution of Gross Tax:

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

Net Distribution:

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 18 – Accountability

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

Fire Levy	\$266,862
Flood Protection	452,511
State Issue II	188,165
Municipal Garage	60,111

Note 19 – Fund Balances

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

Fund Balances	General	Fire Levy	.2% Street Improvement	Other Governmental Funds	Total
Restricted for:					
Street Improvements	0	0	6,210,022	219,933	6,429,955
Probation Services	0	0	0	2,400,235	2,400,235
Court Computer	0	0	0	794,296	794,296
Special Projects	0	0	0	596,749	596,749
Mediation Services	0	0	0	381,006	381,006
Tax Recreation	0	0	0	250,850	250,850
Park Development	0	0	0	860,000	860,000
Law Enforcement	0	0	0	254,738	254,738
Drug and Alcohol Treatment	0	0	0	126,220	126,220
Capital Improvements	0	0	0	3,272,801	3,272,801
TIF Monies	0	0	0	13,228	13,228
Debt Service	0	0	0	1,464,498	1,464,498
Other Purposes	0	0	0	159,561	159,561
Total Restricted	0	0	6,210,022	10,794,115	17,004,137
Assigned to:					
Debt Service	0	0	0	47,838	47,838
Downtown Development	0	0	0	164,659	164,659
Encumbrances:					
General Government	203,647	0	0	0	203,647
Public Safety	24,009	0	0	0	24,009
Capital Outlay	23,721	0	0	0	23,721
Total Assigned	251,377	0	0	212,497	463,874
Unassigned (Deficit)	10,161,500	(266,862)	0	(640,676)	9,253,962
Total Fund Balance	10,412,877	(266,862)	6,210,022	10,365,936	26,721,973

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 20 – Change in Accounting Principles

Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the City is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$18,947,194	\$18,947,194	\$19,086,555	\$139,361
Licenses & Permits	161,050	161,050	185,007	23,957
Intergovernmental	2,082,000	2,082,000	2,639,541	557,541
Charges for Services	907,700	907,700	916,246	8,546
Court Costs & Fines	1,107,500	1,107,500	1,162,818	55,318
Special Assessments	20,000	20,000	18,085	(1,915)
Investment Earnings	312,000	312,000	82,034	(229,966)
Other Revenues	776,760	776,760	770,671	(6,089)
Total Revenues	24,314,204	24,314,204	24,860,957	546,753
Expenditures:				
Current:				
General Government				
City Council				
Personnel Related	203,598	205,198	204,900	298
Other	24,700	24,700	15,287	9,413
Total City Council	228,298	229,898	220,187	9,711
Mayor				
Personnel Related	11,372	11,372	11,306	66
Other	5,050	5,050	1,737	3,313
Total Mayor	16,422	16,422	13,043	3,379
Administration				
Personnel Related	503,639	559,804	554,507	5,297
Other	22,950	22,950	17,408	5,542
Total Administration	526,589	582,754	571,915	10,839
General Services				
Personnel Related	56,594	56,594	51,032	5,562
Other	3,486,354	3,858,693	3,112,739	745,954
Total General Services	3,542,948	3,915,287	3,163,771	751,516
Law				
Personnel Related	500	500	168	332
Other	504,050	504,050	504,047	3
Total Law	504,550	504,550	504,215	335
Human Resources				
Personnel Related	193,617	194,692	189,645	5,047
Other	64,762	60,650	23,930	36,720
Total Human Resources	258,379	255,342	213,575	41,767
Finance Administration & Accounting				
Personnel Related	577,202	587,502	577,912	9,590
Other	25,745	25,745	21,272	4,473
Total Finance Administration & Accounting	602,947	613,247	599,184	14,063
Income Tax				
Personnel Related	530,235	530,235	485,012	45,223
Other	104,626	100,937	82,646	18,291
Total Income Tax	634,861	631,172	567,658	63,514

Continued

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	487,534	490,034	483,495	6,539
Other	54,440	54,440	48,613	5,827
Total Information Technology	541,974	544,474	532,108	12,366
Municipal Court				
Personnel Related	1,422,375	1,422,375	1,319,234	103,141
Other	331,900	331,900	217,391	114,509
Total Municipal Court	1,754,275	1,754,275	1,536,625	217,650
Public Works Administration				
Personnel Related	149,347	151,847	149,551	2,296
Other	35,375	35,375	7,863	27,512
Total Public Works Administration	184,722	187,222	157,414	29,808
Construction Services				
Personnel Related	601,140	601,140	509,579	91,561
Other	126,010	125,160	71,230	53,930
Total Construction Services	727,150	726,300	580,809	145,491
Municipal Building				
Personnel Related	66,936	69,836	69,684	152
Other	185,042	185,042	153,054	31,988
Total Municipal Building	251,978	254,878	222,738	32,140
Total General Government	9,775,093	10,215,821	8,883,242	1,332,579
<u>Public Safety</u>				
Police				
Personnel Related	9,221,480	9,227,780	8,563,643	664,137
Other	825,223	804,533	669,054	135,479
Total Police	10,046,703	10,032,313	9,232,697	799,616
Justice Center				
Personnel Related	61,517	62,367	61,788	579
Other	798,683	784,643	694,249	90,394
Total Justice Center	860,200	847,010	756,037	90,973
Total Public Safety	10,906,903	10,879,323	9,988,734	890,589
<u>Community Development</u>				
Planning & Economic Development				
Personnel Related	551,901	558,901	550,110	8,791
Other	58,334	62,834	39,428	23,406
Total Planning & Economic Development	610,235	621,735	589,538	32,197
Building & Zoning Inspection				
Personnel Related	805,429	805,429	664,487	140,942
Other	101,260	101,260	80,264	20,996
Total Building & Zoning Inspection	906,689	906,689	744,751	161,938
Total Community Development	1,516,924	1,528,424	1,334,289	194,135

Continued

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Leisure Time Activities</u>				
Parks & Recreation Administration				
Personnel Related	728,691	754,591	746,280	8,311
Other	120,052	119,154	105,828	13,326
Total Parks & Recreation Administration	848,743	873,745	852,108	21,637
Parks Maintenance Operations				
Personnel Related	652,404	652,404	598,198	54,206
Other	358,830	361,098	321,978	39,120
Total Parks Maintenance Operations	1,011,234	1,013,502	920,176	93,326
Marsh Park Fishing Lake				
Personnel Related	94,317	94,317	85,116	9,201
Other	49,400	49,400	42,821	6,579
Total Marsh Park Fishing Lake	143,717	143,717	127,937	15,780
Community Arts Center				
Personnel Related	314,449	315,149	284,457	30,692
Other	458,659	458,659	413,117	45,542
Total Community Arts Center	773,108	773,808	697,574	76,234
Total Leisure Time Activities	2,776,802	2,804,772	2,597,795	206,977
Capital Outlay	186,456	210,456	210,010	446
Total Expenditures	25,162,178	25,638,796	23,014,070	2,624,726
Excess of Revenues Over (Under) Expenditures	(847,974)	(1,324,592)	1,846,887	3,171,479
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	500	500	17,300	16,800
Transfers (Out)	(1,356,000)	(1,671,000)	(1,476,000)	195,000
Total Other Financing Sources (Uses)	(1,355,500)	(1,670,500)	(1,458,700)	211,800
Net Change in Fund Balance	(2,203,474)	(2,995,092)	388,187	3,383,279
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,626,565	8,626,565	8,626,565	0
Fund Balance End of Year	\$6,423,091	\$5,631,473	\$9,014,752	\$3,383,279

(1) Fund balance in the prior year included the compensated leave fund . The compensated leave fund is now shown separately.

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$4,022,100	\$4,022,100	\$3,580,783	(\$441,317)
Licenses & Permits	6,000	6,000	5,775	(225)
Intergovernmental	429,500	429,500	386,298	(43,202)
Charges for Services	1,100,000	1,100,000	1,192,995	92,995
Investment Earnings	400	400	49	(351)
Other Revenues	7,000	7,000	10,086	3,086
Total Revenues	5,565,000	5,565,000	5,175,986	(389,014)
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	4,766,687	4,766,687	4,724,557	42,130
Other	568,417	568,417	505,288	63,129
Total Fire Suppression	5,335,104	5,335,104	5,229,845	105,259
Paramedic Prevention				
Other	340,014	299,101	236,423	62,678
Total Fire Suppression	340,014	299,101	236,423	62,678
Total Expenditures	5,675,118	5,634,205	5,466,268	167,937
Excess of Revenues Over (Under) Expenditures	(110,118)	(69,205)	(290,282)	(221,077)
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	0	0	3,216	3,216
Total Other Financing Sources (Uses)	0	0	3,216	3,216
Net Change in Fund Balance	(110,118)	(69,205)	(287,066)	(217,861)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	405,864	405,864	405,864	0
Fund Balance End of Year	\$295,746	\$336,659	\$118,798	(\$217,861)

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2011

Note 1 – Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department and object level for all funds. The Finance Director, with the approval of the City Manager and respective Department Heads, has been authorized to allocate appropriations to the function and object level within each fund. Council must approve any revisions that alter total fund appropriations.

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

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

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) presented for the general fund and fire levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).

(Continued)

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2011

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.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis).

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

	General	Fire Levy
GAAP Basis	\$1,182,955	(\$172,711)
Revenue Accruals	345,906	1,623
Expenditure Accruals	(710,264)	(68,465)
Funds Budgeted Elsewhere	(228)	0
Encumbrances	(430,182)	(47,513)
Budget Basis	<u>\$388,187</u>	<u>(\$287,066)</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

.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 two-tenths of the City's income tax. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	.2% Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,021,800	\$3,021,800	\$3,197,566	\$175,766
Intergovernmental	0	0	472,727	472,727
Investment Earnings	100,000	100,000	64,059	(35,941)
Other Revenues	50,000	50,000	498,292	448,292
Total Revenues	3,171,800	3,171,800	4,232,644	1,060,844
Expenditures:				
Current:				
Transportation and Street Repair				
Other	7,296,423	11,211,916	11,145,687	66,229
Total Expenditures	7,296,423	11,211,916	11,145,687	66,229
Excess of Revenues Over (Under) Expenditures	(4,124,623)	(8,040,116)	(6,913,043)	1,127,073
Other Financing Sources (uses):				
Debt Proceeds and Premium	9,337,418	9,337,418	2,250,000	(7,087,418)
Transfers (Out)	(1,420,000)	(1,336,540)	(1,198,612)	137,928
Total Other Financing Sources (Uses)	7,917,418	8,000,878	1,051,388	(6,949,490)
Net Change in Fund Balance	3,792,795	(39,238)	(5,861,655)	(5,822,417)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,220,480	10,220,480	10,220,480	0
Fund Balance End of Year	\$14,013,275	\$10,181,242	\$4,358,825	(\$5,822,417)

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$5,200,147	\$1,512,336	\$4,191,090	\$10,903,573
Receivables:				
Taxes	0	0	721,466	721,466
Interest	289	1,542	1,547	3,378
Intergovernmental	954,863	0	622,215	1,577,078
Special Assessments	0	180,930	0	180,930
Total Assets	6,155,299	1,694,808	5,536,318	13,386,425
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	49,999	0	238,812	288,811
Accrued Wages and Benefits	131,923	0	0	131,923
Compensated Absences	9,142	0	0	9,142
Interfund Payable	0	0	615,057	615,057
Deferred Revenue	767,419	182,472	1,025,665	1,975,556
Total Liabilities	958,483	182,472	1,879,534	3,020,489
Fund Balances:				
Restricted	5,196,816	1,464,498	4,132,801	10,794,115
Assigned	0	47,838	164,659	212,497
Unassigned	0	0	(640,676)	(640,676)
Total Fund Balances	5,196,816	1,512,336	3,656,784	10,365,936
Total Liabilities and Fund Balances	\$6,155,299	\$1,694,808	\$5,536,318	\$13,386,425

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$0	\$3,151,035	\$3,151,035
Fines, Licenses & Permits	828,621	0	0	828,621
Investment Earnings	9,508	38,837	31,016	79,361
Intergovernmental	2,297,209	0	822,371	3,119,580
Special Assessments	2,914	0	0	2,914
Other Revenues	15,669	0	867,583	883,252
Total Revenues	3,153,921	38,837	4,872,005	8,064,763
Expenditures:				
Current:				
General Government	370,391	11,923	0	382,314
Public Safety	32,512	0	0	32,512
Transportation and Street Repair	3,040,242	0	416,028	3,456,270
Capital Outlay	267,677	0	2,186,446	2,454,123
Debt Service:				
Principal Retirement	0	1,500,000	0	1,500,000
Interest and Fiscal Charges	0	1,011,650	0	1,011,650
Total Expenditures	3,710,822	2,523,573	2,602,474	8,836,869
Excess of Revenues Over (Under) Expenditures	(556,901)	(2,484,736)	2,269,531	(772,106)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	5,413	5,413
Transfers In	975,000	2,616,239	0	3,591,239
Transfers (Out)	0	(105,000)	(1,417,627)	(1,522,627)
Total Other Financing Sources (Uses)	975,000	2,511,239	(1,412,214)	2,074,025
Net Change in Fund Balance	418,099	26,503	857,317	1,301,919
Fund Balance (Deficit) Beginning of Year	4,778,717	1,485,833	2,799,467	9,064,017
Fund Balance (Deficit) End of Year	\$5,196,816	\$1,512,336	\$3,656,784	\$10,365,936

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$155,932	\$31,873	\$40,683	\$250,850	\$111,133
Receivables:					
Interest	0	0	0	0	0
Intergovernmental	731,899	59,343	0	0	0
Total Assets	<u>887,831</u>	<u>91,216</u>	<u>40,683</u>	<u>250,850</u>	<u>111,133</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	29,948	0	0	0	0
Accrued Wages and Benefits	76,472	12,153	0	0	0
Compensated Absences	9,142	0	0	0	0
Deferred Revenue	584,044	47,355	0	0	0
Total Liabilities	<u>699,606</u>	<u>59,508</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Restricted	<u>188,225</u>	<u>31,708</u>	<u>40,683</u>	<u>250,850</u>	<u>111,133</u>
Total Fund Balances	<u>188,225</u>	<u>31,708</u>	<u>40,683</u>	<u>250,850</u>	<u>111,133</u>
Total Liabilities and Fund Balances	<u>\$887,831</u>	<u>\$91,216</u>	<u>\$40,683</u>	<u>\$250,850</u>	<u>\$111,133</u>

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$37,146	\$109,036	\$128,457	\$34,569	\$2,419,371	\$811,416	\$598,327
0	0	0	0	289	0	0
160,468	0	0	0	3,153	0	0
<u>197,614</u>	<u>109,036</u>	<u>128,457</u>	<u>34,569</u>	<u>2,422,813</u>	<u>811,416</u>	<u>598,327</u>
0	0	2,237	0	694	17,120	0
21,232	0	0	0	20,488	0	1,578
0	0	0	0	0	0	0
134,624	0	0	0	1,396	0	0
<u>155,856</u>	<u>0</u>	<u>2,237</u>	<u>0</u>	<u>22,578</u>	<u>17,120</u>	<u>1,578</u>
<u>41,758</u>	<u>109,036</u>	<u>126,220</u>	<u>34,569</u>	<u>2,400,235</u>	<u>794,296</u>	<u>596,749</u>
<u>41,758</u>	<u>109,036</u>	<u>126,220</u>	<u>34,569</u>	<u>2,400,235</u>	<u>794,296</u>	<u>596,749</u>
<u>\$197,614</u>	<u>\$109,036</u>	<u>\$128,457</u>	<u>\$34,569</u>	<u>\$2,422,813</u>	<u>\$811,416</u>	<u>\$598,327</u>
Continued						

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$381,006	\$13,228	\$77,120	\$5,200,147
Receivables:				
Interest	0	0	0	289
Intergovernmental	0	0	0	954,863
Total Assets	<u>381,006</u>	<u>13,228</u>	<u>77,120</u>	<u>6,155,299</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	49,999
Accrued Wages and Benefits	0	0	0	131,923
Compensated Absences	0	0	0	9,142
Deferred Revenue	0	0	0	767,419
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>958,483</u>
Fund Balances:				
Restricted	<u>381,006</u>	<u>13,228</u>	<u>77,120</u>	<u>5,196,816</u>
Total Fund Balances	<u>381,006</u>	<u>13,228</u>	<u>77,120</u>	<u>5,196,816</u>
Total Liabilities and Fund Balances	<u>\$381,006</u>	<u>\$13,228</u>	<u>\$77,120</u>	<u>\$6,155,299</u>

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City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Fines, Licenses & Permits	\$0	\$0	\$0	\$2,700	\$17,432
Investment Earnings	0	0	85	28	0
Intergovernmental	1,808,604	146,643	0	0	0
Special Assessments	0	0	0	0	0
Other Revenues	15,222	0	0	0	0
Total Revenues	1,823,826	146,643	85	2,728	17,432
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	8,124
Transportation and Street Repair	2,604,278	145,195	0	0	0
Capital Outlay	13,805	0	245,021	0	0
Total Expenditures	2,618,083	145,195	245,021	0	8,124
Excess of Revenues Over (Under) Expenditures	(794,257)	1,448	(244,936)	2,728	9,308
Other Financing Sources (Uses):					
Transfers In	975,000	0	0	0	0
Total Other Financing Sources (Uses)	975,000	0	0	0	0
Net Change in Fund Balance	180,743	1,448	(244,936)	2,728	9,308
Fund Balance (Deficit) Beginning of Year	7,482	30,260	285,619	248,122	101,825
Fund Balance (Deficit) End of Year	\$188,225	\$31,708	\$40,683	\$250,850	\$111,133

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$0	\$10,195	\$13,732	\$0	\$550,733	\$98,438	\$57,730
0	57	57	0	8,911	199	114
321,367	0	0	0	20,595	0	0
0	0	0	0	0	0	0
0	0	0	0	447	0	0
321,367	10,252	13,789	0	580,686	98,637	57,844
0	0	28,562	0	294,753	40,354	6,523
0	0	0	24,388	0	0	0
290,769	0	0	0	0	0	0
0	0	0	0	7,500	1,351	0
290,769	0	28,562	24,388	302,253	41,705	6,523
30,598	10,252	(14,773)	(24,388)	278,433	56,932	51,321
0	0	0	0	0	0	0
0	0	0	0	0	0	0
30,598	10,252	(14,773)	(24,388)	278,433	56,932	51,321
11,160	98,784	140,993	58,957	2,121,802	737,364	545,428
\$41,758	\$109,036	\$126,220	\$34,569	\$2,400,235	\$794,296	\$596,749
Continued						

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Revenues:				
Fines, Licenses & Permits	\$51,100	\$0	\$26,561	\$828,621
Investment Earnings	57	0	0	9,508
Intergovernmental	0	0	0	2,297,209
Special Assessments	0	2,914	0	2,914
Other Revenues	0	0	0	15,669
Total Revenues	51,157	2,914	26,561	3,153,921
Expenditures:				
Current:				
General Government	199	0	0	370,391
Public Safety	0	0	0	32,512
Transportation and Street Repair	0	0	0	3,040,242
Capital Outlay	0	0	0	267,677
Total Expenditures	199	0	0	3,710,822
Excess of Revenues Over (Under) Expenditures	50,958	2,914	26,561	(556,901)
Other Financing Sources (Uses):				
Transfers In	0	0	0	975,000
Total Other Financing Sources (Uses)	0	0	0	975,000
Net Change in Fund Balance	50,958	2,914	26,561	418,099
Fund Balance (Deficit) Beginning of Year	330,048	10,314	50,559	4,778,717
Fund Balance (Deficit) End of Year	\$381,006	\$13,228	\$77,120	\$5,196,816

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$2,020,000	\$2,020,000	\$1,807,502	(\$212,498)
Other Revenues	10,000	10,000	15,222	5,222
Total Revenues	2,030,000	2,030,000	1,822,724	(207,276)
Expenditures:				
Transportation and Street Repair				
Personnel Related	1,637,017	1,637,717	1,467,462	170,255
Other	1,334,451	1,376,185	1,285,154	91,031
Total Expenditures	2,971,468	3,013,902	2,752,616	261,286
Excess of Revenues Over (Under) Expenditures	(941,468)	(983,902)	(929,892)	54,010
Other Financing Sources (uses):				
Transfers In	975,000	975,000	975,000	0
Total Other Financing Sources (Uses)	975,000	975,000	975,000	0
Net Change in Fund Balance	33,532	(8,902)	45,108	54,010
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	75,502	75,502	75,502	0
Fund Balance End of Year	\$109,034	\$66,600	\$120,610	\$54,010

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	State Highway Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$160,000	\$160,000	\$146,554	(\$13,446)
Total Revenues	160,000	160,000	146,554	(13,446)
Expenditures:				
Transportation and Street Repair Personnel Related	153,645	153,645	146,984	6,661
Total Expenditures	153,645	153,645	146,984	6,661
Net Change in Fund Balance	6,355	6,355	(430)	(6,785)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,303	32,303	32,303	0
Fund Balance End of Year	\$38,658	\$38,658	\$31,873	(\$6,785)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	County Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$110,250	\$110,250	\$0	(\$110,250)
Investment Earnings	250	250	85	(165)
Total Revenues	110,500	110,500	85	(110,415)
Expenditures:				
Transportation and Street Repair				
Other	62,788	332,288	288,349	43,939
Total Expenditures	62,788	332,288	288,349	43,939
Net Change in Fund Balance	47,712	(221,788)	(288,264)	(66,476)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	285,619	285,619	285,619	0
Fund Balance End of Year	\$333,331	\$63,831	(\$2,645)	(\$66,476)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Tax Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Licenses & Permits	\$3,000	\$3,000	\$2,850	(\$150)
Investment Earnings	500	500	29	(471)
Total Revenues	3,500	3,500	2,879	(621)
Expenditures:				
Leisure Time Activities				
Other	0	200	150	50
Total Expenditures	0	200	150	50
Net Change in Fund Balance	3,500	3,300	2,729	(571)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	248,121	248,121	248,121	0
Fund Balance End of Year	\$251,621	\$251,421	\$250,850	(\$571)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$10,000	\$10,000	\$17,432	\$7,432
Total Revenues	10,000	10,000	17,432	7,432
Expenditures:				
Public Safety				
Other	10,000	10,000	8,124	1,876
Total Expenditures	10,000	10,000	8,124	1,876
Net Change in Fund Balance	0	0	9,308	9,308
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	101,825	101,825	101,825	0
Fund Balance End of Year	\$101,825	\$101,825	\$111,133	\$9,308

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Municipal Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$375,000	\$375,000	\$320,201	(\$54,799)
Total Revenues	375,000	375,000	320,201	(54,799)
Expenditures:				
Transportation and Street Repair Personnel Related	322,654	322,654	292,442	30,212
Total Expenditures	322,654	322,654	292,442	30,212
Net Change in Fund Balance	52,346	52,346	27,759	(24,587)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,387	9,387	9,387	0
Fund Balance End of Year	\$61,733	\$61,733	\$37,146	(\$24,587)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Law Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$18,400	\$18,400	\$11,505	(\$6,895)
Investment Earnings	100	100	57	(43)
Total Revenues	18,500	18,500	11,562	(6,938)
Expenditures:				
Public Safety				
Other	17,500	18,810	1,309	17,501
Total Expenditures	17,500	18,810	1,309	17,501
Net Change in Fund Balance	1,000	(310)	10,253	10,563
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	98,783	98,783	98,783	0
Fund Balance End of Year	\$99,783	\$98,473	\$109,036	\$10,563

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Drug and Alcohol Treatment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$13,900	\$13,900	\$13,732	(\$168)
Investment Earnings	100	100	57	(43)
Total Revenues	14,000	14,000	13,789	(211)
Expenditures:				
General Government				
Other	30,000	30,000	27,917	2,083
Total Expenditures	30,000	30,000	27,917	2,083
Net Change in Fund Balance	(16,000)	(16,000)	(14,128)	1,872
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	142,585	142,585	142,585	0
Fund Balance End of Year	\$126,585	\$126,585	\$128,457	\$1,872

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Local Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Public Safety				
Other	17,000	27,400	24,388	3,012
Total Expenditures	17,000	27,400	24,388	3,012
Net Change in Fund Balance	(17,000)	(27,400)	(24,388)	3,012
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	58,957	58,957	58,957	0
Fund Balance End of Year	\$41,957	\$31,557	\$34,569	\$3,012

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Probation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$35,000	\$35,000	\$23,104	(\$11,896)
Court Costs & Fines	441,500	441,500	550,734	109,234
Investment Earnings	1,000	1,000	8,762	7,762
Other Revenues	0	0	447	447
Total Revenues	477,500	477,500	583,047	105,547
Expenditures:				
General Government				
Personnel Related	281,270	289,270	284,327	4,943
Other	33,660	33,415	18,934	14,481
Total Expenditures	314,930	322,685	303,261	19,424
Net Change in Fund Balance	162,570	154,815	279,786	124,971
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,137,754	2,137,754	2,137,754	0
Fund Balance End of Year	<u>\$2,300,324</u>	<u>\$2,292,569</u>	<u>\$2,417,540</u>	<u>\$124,971</u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Court Computer Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$100,750	\$100,750	\$98,438	(\$2,312)
Investment Earnings	250	250	199	(51)
Total Revenues	101,000	101,000	98,637	(2,363)
Expenditures:				
General Government				
Other	60,000	117,000	77,222	39,778
Total Expenditures	60,000	117,000	77,222	39,778
Net Change in Fund Balance	41,000	(16,000)	21,415	37,415
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	737,365	737,365	737,365	0
Fund Balance End of Year	\$778,365	\$721,365	\$758,780	\$37,415

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Special Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$61,250	\$61,250	\$57,730	(\$3,520)
Investment Earnings	250	250	114	(136)
Total Revenues	61,500	61,500	57,844	(3,656)
Expenditures:				
General Government				
Personnel Related	60,391	60,391	0	60,391
Other	16,000	16,000	4,945	11,055
Total Expenditures	76,391	76,391	4,945	71,446
Net Change in Fund Balance	(14,891)	(14,891)	52,899	67,790
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	545,428	545,428	545,428	0
Fund Balance End of Year	\$530,537	\$530,537	\$598,327	\$67,790

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Mediation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$61,150	\$61,150	\$51,100	(\$10,050)
Investment Earnings	150	150	57	(93)
Total Revenues	61,300	61,300	51,157	(10,143)
Expenditures:				
General Government				
Other	5,000	5,000	199	4,801
Total Expenditures	5,000	5,000	199	4,801
Net Change in Fund Balance	56,300	56,300	50,958	(5,342)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	330,048	330,048	330,048	0
Fund Balance End of Year	\$386,348	\$386,348	\$381,006	(\$5,342)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Tax Increment Equivalent Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$85,000	\$85,000	\$2,914	(\$82,086)
Total Revenues	85,000	85,000	2,914	(82,086)
Expenditures:				
General Government				
Other	85,000	85,000	0	85,000
Total Expenditures	85,000	85,000	0	85,000
Net Change in Fund Balance	0	0	2,914	2,914
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,314	10,314	10,314	0
Fund Balance End of Year	\$10,314	\$10,314	\$13,228	\$2,914

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Indigent Driver Interlock Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$15,000	\$15,000	\$26,561	\$11,561
Total Revenues	15,000	15,000	26,561	11,561
Total Expenditures	0	0	0	0
Net Change in Fund Balance	15,000	15,000	26,561	11,561
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	50,559	50,559	50,559	0
Fund Balance End of Year	\$65,559	\$65,559	\$77,120	\$11,561

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NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

General Bond Retirement - To accumulate monies for the payment of long-term and short-term debt issued without a vote of the people. Transfers from the .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.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$47,838	\$1,464,498	\$1,512,336
Receivables:			
Interest	0	1,542	1,542
Special Assessments	0	180,930	180,930
Total Assets	<u>47,838</u>	<u>1,646,970</u>	<u>1,694,808</u>
Liabilities and Fund Balances:			
Liabilities:			
Deferred Revenue	0	182,472	182,472
Total Liabilities	<u>0</u>	<u>182,472</u>	<u>182,472</u>
Fund Balances:			
Restricted	0	1,464,498	1,464,498
Assigned	47,838	0	47,838
Total Fund Balances	<u>47,838</u>	<u>1,464,498</u>	<u>1,512,336</u>
Total Liabilities and Fund Balances	<u>\$47,838</u>	<u>\$1,646,970</u>	<u>\$1,694,808</u>

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2011

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$38,837	\$38,837
Total Revenues	0	38,837	38,837
Expenditures:			
Current:			
General Government	11,219	704	11,923
Debt Service:			
Principal Retirement	1,500,000	0	1,500,000
Interest and Fiscal Charges	1,007,077	4,573	1,011,650
Total Expenditures	2,518,296	5,277	2,523,573
Excess of Revenues Over (Under) Expenditures	(2,518,296)	33,560	(2,484,736)
Other Financing Sources (Uses):			
Transfers In	2,616,239	0	2,616,239
Transfers (Out)	(105,000)	0	(105,000)
Total Other Financing Sources (Uses)	2,511,239	0	2,511,239
Net Change in Fund Balance	(7,057)	33,560	26,503
Fund Balance (Deficit) Beginning of Year	54,895	1,430,938	1,485,833
Fund Balance (Deficit) End of Year	\$47,838	\$1,464,498	\$1,512,336

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Bond Retirement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Other	9,000	11,220	11,219	1
Debt Service:				
Principal Retirement	1,605,000	1,605,000	1,605,000	0
Interest and Fiscal Charges	1,107,500	1,105,280	1,015,987	89,293
Total Expenditures	2,721,500	2,721,500	2,632,206	89,294
Excess of Revenues Over (Under) Expenditures	(2,721,500)	(2,721,500)	(2,632,206)	89,294
Other Financing Sources (uses):				
Debt Proceeds and Premium	0	0	8,911	8,911
Transfers In	1,960,000	1,960,000	2,616,239	656,239
Total Other Financing Sources (Uses)	1,960,000	1,960,000	2,625,150	665,150
Net Change in Fund Balance	(761,500)	(761,500)	(7,056)	754,444
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,894	54,894	54,894	0
Fund Balance End of Year	(\$706,606)	(\$706,606)	\$47,838	\$754,444

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Special Assessment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$0	\$0	\$257,212	\$257,212
Investment Earnings	1,650	1,650	41,723	40,073
Total Revenues	1,650	1,650	298,935	297,285
Expenditures:				
Current:				
General Government				
Other	7,000	705	704	1
Debt Service:				
Principal Retirement	230,000	257,347	257,347	0
Interest and Fiscal Charges	5,000	4,948	4,574	374
Total Expenditures	242,000	263,000	262,625	375
Net Change in Fund Balance	(240,350)	(261,350)	36,310	297,660
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,430,936	1,430,936	1,430,936	0
Fund Balance End of Year	<u>\$1,190,586</u>	<u>\$1,169,586</u>	<u>\$1,467,246</u>	<u>\$297,660</u>

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NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

.2% Capital Improvement - This capital projects fund accounts for the acquisition, construction, or the debt service thereupon, of assets with a useful life of five (5) years or more. Financing has been derived from two-tenths of the City's income tax.

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

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

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	<u>.2% Capital Improvement</u>	<u>Flood Protection</u>	<u>State Issue II</u>	<u>Downtown Development</u>	<u>Park Development</u>
Assets:					
Equity in Pooled Cash and Investments	\$3,161,031	\$0	\$0	\$170,059	\$860,000
Receivables:					
Taxes	721,466	0	0	0	0
Interest	1,547	0	0	0	0
Intergovernmental	0	459,669	162,546	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>3,884,044</u>	<u>459,669</u>	<u>162,546</u>	<u>170,059</u>	<u>860,000</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	207,793	0	25,619	5,400	0
Interfund Payable	0	452,511	162,546	0	0
Deferred Revenue	403,450	459,669	162,546	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>611,243</u>	<u>912,180</u>	<u>350,711</u>	<u>5,400</u>	<u>0</u>
Fund Balances:					
Restricted	3,272,801	0	0	0	860,000
Assigned	0	0	0	164,659	0
Unassigned	0	(452,511)	(188,165)	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,272,801</u>	<u>(452,511)</u>	<u>(188,165)</u>	<u>164,659</u>	<u>860,000</u>
Total Liabilities and Fund Balances	<u>\$3,884,044</u>	<u>\$459,669</u>	<u>\$162,546</u>	<u>\$170,059</u>	<u>\$860,000</u>

Total Nonmajor Capital Projects Funds	
\$4,191,090	
721,466	
1,547	
622,215	
5,536,318	
238,812	
615,057	
1,025,665	
1,879,534	
4,132,801	
164,659	
(640,676)	
3,656,784	
\$5,536,318	

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2011

	.2% Capital Improvement	Flood Protection	State Issue II	Downtown Development	Park Development
Revenues:					
Taxes	\$3,151,035	\$0	\$0	\$0	\$0
Investment Earnings	31,016	0	0	0	0
Intergovernmental	257,958	0	564,413	0	0
Other Revenues	2,000	5,583	0	0	860,000
Total Revenues	3,442,009	5,583	564,413	0	860,000
Expenditures:					
Current:					
Transportation and Street Repair	383,729	28,744	0	3,555	0
Capital Outlay	983,768	432,400	752,578	17,700	0
Total Expenditures	1,367,497	461,144	752,578	21,255	0
Excess of Revenues Over (Under) Expenditures	2,074,512	(455,561)	(188,165)	(21,255)	860,000
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	5,413	0	0	0	0
Transfers (Out)	(1,417,627)	0	0	0	0
Total Other Financing Sources (Uses)	(1,412,214)	0	0	0	0
Net Change in Fund Balance	662,298	(455,561)	(188,165)	(21,255)	860,000
Fund Balance (Deficit) Beginning of Year	2,610,503	3,050	0	185,914	0
Fund Balance (Deficit) End of Year	\$3,272,801	(\$452,511)	(\$188,165)	\$164,659	\$860,000

Total Nonmajor Capital Projects Funds
\$3,151,035
31,016
822,371
867,583
4,872,005
416,028
2,186,446
2,602,474
2,269,531
5,413
(1,417,627)
(1,412,214)
857,317
2,799,467
\$3,656,784

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	.2% Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,134,218	\$3,134,218	\$3,197,566	\$63,348
Intergovernmental	0	0	257,958	257,958
Investment Earnings	50,000	50,000	32,798	(17,202)
Other Revenues	1,000	1,000	2,000	1,000
Total Revenues	3,185,218	3,185,218	3,490,322	305,104
Expenditures:				
Current:				
General Government				
Other	922,757	2,528,798	2,293,771	235,027
Total Expenditures	922,757	2,528,798	2,293,771	235,027
Excess of Revenues Over (Under) Expenditures	2,262,461	656,420	1,196,551	540,131
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	1,000	1,000	5,414	4,414
Transfers (Out)	(1,365,000)	(1,417,630)	(1,417,628)	2
Total Other Financing Sources (Uses)	(1,364,000)	(1,416,630)	(1,412,214)	4,416
Net Change in Fund Balance	898,461	(760,210)	(215,663)	544,547
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,415,407	2,415,407	2,415,407	0
Fund Balance End of Year	\$3,313,868	\$1,655,197	\$2,199,744	\$544,547

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Flood Protection Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$175,250	\$175,250	\$0	(\$175,250)
Other Revenues	0	0	5,584	5,584
Total Revenues	175,250	175,250	5,584	(169,666)
Expenditures:				
Current:				
General Government				
Other	15,803	3,516,591	3,147,597	368,994
Total Expenditures	15,803	3,516,591	3,147,597	368,994
Net Change in Fund Balance	159,447	(3,341,341)	(3,142,013)	199,328
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,050	3,050	3,050	0
Fund Balance End of Year	\$162,497	(\$3,338,291)	(\$3,138,963)	\$199,328

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	State Issue II Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,584,000	\$1,584,000	\$564,413	(\$1,019,587)
Total Revenues	1,584,000	1,584,000	564,413	(1,019,587)
Expenditures:				
Current:				
Transportation & Welfare Services				
Other	1,302,484	2,042,975	1,992,975	50,000
Total Expenditures	1,302,484	2,042,975	1,992,975	50,000
Net Change in Fund Balance	281,516	(458,975)	(1,428,562)	(969,587)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$281,516	(\$458,975)	(\$1,428,562)	(\$969,587)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Downtown Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$5,000	\$5,000	\$0	(\$5,000)
Total Revenues	5,000	5,000	0	(5,000)
Expenditures:				
Current:				
General Government				
Other	17,300	27,215	21,255	5,960
Total Expenditures	17,300	27,215	21,255	5,960
Net Change in Fund Balance	(12,300)	(22,215)	(21,255)	960
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	185,916	185,916	185,916	0
Fund Balance End of Year	\$173,616	\$163,701	\$164,661	\$960

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Park Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues	\$0	\$0	\$860,000	\$860,000
Total Revenues	0	0	860,000	860,000
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	860,000	860,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$860,000	\$860,000

OTHER GENERAL FUND

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

Fund Description

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

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Compensated Leave Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,500	\$1,500	\$228	(\$1,272)
Total Revenues	1,500	1,500	228	(1,272)
Total Expenditures	0	0	0	0
Net Change in Fund Balance	1,500	1,500	228	(1,272)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	467,785	467,785	467,785	0
Fund Balance End of Year	<u>\$469,285</u>	<u>\$469,285</u>	<u>\$468,013</u>	<u>(\$1,272)</u>

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

NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

Fund Descriptions

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

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

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

City of Fairfield, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2011

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$253,862	\$65,435	\$319,297
Total Current Assets	253,862	65,435	319,297
Total Assets	253,862	65,435	319,297
Liabilities:			
Accounts Payable	831	4,824	5,655
Accrued Wages and Benefits	0	33,001	33,001
Claims Payable	14,940	0	14,940
Total Current Liabilities	15,771	37,825	53,596
Long-Term Liabilities:			
Compensated Absences	0	87,721	87,721
Total Long-Term Liabilities	0	87,721	87,721
Total Liabilities	15,771	125,546	141,317
Net Assets:			
Unrestricted	238,091	(60,111)	177,980
Total Net Assets	\$238,091	(\$60,111)	\$177,980

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended December 31, 2011

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$3,915,844	\$706,079	\$4,621,923
Other Revenues	10,000	566	10,566
Total Operating Revenues	3,925,844	706,645	4,632,489
Operating Expenses:			
Personal Services	0	489,649	489,649
Contractual Services	3,967,378	10,308	3,977,686
Materials and Supplies	831	314,032	314,863
Total Operating Expenses	3,968,209	813,989	4,782,198
Operating Income (Loss)	(42,365)	(107,344)	(149,709)
Transfers In	0	166,000	166,000
Change in Net Assets	(42,365)	58,656	16,291
Net Assets Beginning of Year	280,456	(118,767)	161,689
Net Assets End of Year	\$238,091	(\$60,111)	\$177,980

City of Fairfield, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2011

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,925,844	\$706,645	\$4,632,489
Cash Payments to Employees	0	(489,806)	(489,806)
Cash Payments to Suppliers	(3,967,265)	(321,179)	(4,288,444)
Net Cash Provided (Used) by Operating Activities	(41,421)	(104,340)	(145,761)
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	0	166,000	166,000
Noncapital Financing Activities	0	166,000	166,000
Net Increase (Decrease) in Cash and Cash Equivalents	(41,421)	61,660	20,239
Cash and Cash Equivalents Beginning of Year	295,283	3,775	299,058
Cash and Cash Equivalents End of Year	253,862	65,435	319,297
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(42,365)	(107,344)	(149,709)
Changes in Assets & Liabilities:			
Increase (Decrease) in Payables	944	3,161	4,105
Increase (Decrease) in Accrued Liabilities	0	(157)	(157)
Net Cash Provided (Used) by Operating Activities	(\$41,421)	(\$104,340)	(\$145,761)

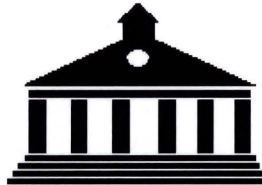
City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Municipal Court		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$102,963	\$888,126	\$887,885
Total Assets	102,963	888,126	887,885
Liabilities:			
Other Liabilities	102,963	888,126	887,885
Total Liabilities	\$102,963	\$888,126	\$887,885
	Warranty Bonds		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$10,847	\$5	\$32
Total Assets	10,847	5	32
Liabilities:			
Other Liabilities	10,847	5	32
Total Liabilities	\$10,847	\$5	\$32
	Joint Economic Development District		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$22,613	\$1,231,568	\$1,233,398
Receivables:			
Accounts	146,725	158,893	146,725
Total Assets	169,338	1,390,461	1,380,123
Liabilities:			
Other Liabilities	169,338	1,390,461	1,380,123
Total Liabilities	\$169,338	\$1,390,461	\$1,380,123

(Continued)

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$136,423	\$2,119,699	\$2,121,315	\$134,807
Receivables:				
Accounts	146,725	158,893	146,725	158,893
Interest	0	0	0	0
Total Assets	283,148	2,278,592	2,268,040	293,700
Liabilities:				
Accounts Payable	0	0	0	0
Other Liabilities	283,148	2,278,592	2,268,040	293,700
Total Liabilities	\$283,148	\$2,278,592	\$2,268,040	\$293,700



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, Ohio
Net Assets by Component
Last Ten Calendar Years
(accrual basis of accounting)
Schedule 1

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$61,855,826	\$65,966,427	\$66,371,105	\$64,296,950
Restricted	18,439,582	24,840,210	19,587,895	11,788,385	11,245,048	10,331,713	16,285,100	14,757,991	13,308,997	15,986,150
Unrestricted	8,736,673	7,213,215	8,929,247	18,606,085	20,702,996	22,442,784	15,315,197	9,942,780	9,016,660	12,370,308
Total Governmental Activities Net Assets	\$76,236,306	\$74,852,943	\$84,305,062	\$84,804,551	\$89,550,507	\$93,588,126	\$93,456,123	\$90,667,198	\$88,696,762	\$92,653,408
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	\$35,778,211	\$37,114,611	\$37,096,724	\$37,488,020
Restricted	0	0	1,438,321	1,131,986	1,193,743	1,207,193	1,270,771	1,018,871	1,018,149	1,018,291
Unrestricted	16,868,346	14,443,918	13,181,031	13,863,041	13,454,093	13,231,494	12,489,925	10,201,536	9,683,097	8,968,926
Total Business-Type Activities Net Assets	\$51,113,636	\$49,610,800	\$49,112,854	\$49,086,329	\$49,340,129	\$49,260,660	\$49,538,907	\$48,335,018	\$47,797,970	\$47,475,237
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	\$97,634,037	\$103,081,038	\$103,467,829	\$101,784,970
Restricted	18,439,582	24,840,210	21,026,216	12,920,371	12,438,791	11,538,906	17,555,871	15,776,862	14,327,146	17,004,441
Unrestricted	25,605,019	21,657,133	22,110,278	32,469,126	34,157,089	35,674,278	27,805,122	20,144,316	18,699,757	21,339,234
Total Primary Government Net Assets	\$127,349,942	\$124,463,743	\$133,417,916	\$133,890,880	\$138,890,636	\$142,848,786	\$142,995,030	\$139,002,216	\$136,494,732	\$140,128,645

Source: City Records

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities:										
General Government										
Public Safety	\$6,377,765	\$5,569,878	\$7,274,175	\$7,172,448	\$7,817,572	\$7,239,804	\$7,801,044	\$8,302,202	\$8,219,146	\$8,375,019
Leisure Time Activities	12,033,560	12,233,671	13,603,790	13,502,174	14,603,318	15,016,636	15,725,351	16,505,748	17,357,175	16,309,564
Community Development	2,051,333	1,914,984	2,794,947	2,126,895	2,732,748	2,866,626	3,085,978	3,275,415	3,449,071	3,394,755
Basic Utility Service	1,812,689	3,073,536	1,113,666	1,043,526	1,232,188	1,617,775	1,702,850	1,489,030	1,438,118	1,366,224
Transportation and Street Repair	521,909	481,265	509,633	506,372	508,183	461,934	453,750	524,491	510,171	479,877
Public Health and Welfare	6,656,322	7,719,625	5,052,846	10,240,547	8,377,486	10,279,823	10,437,041	9,604,526	8,622,712	7,610,384
Interest and Fiscal Charges	25,576	25,809	25,278	25,007	24,363	24,166	23,457	23,074	22,441	21,998
	539,959	615,988	676,748	842,065	870,047	917,208	862,252	687,450	794,384	1,034,139
Total Governmental Activities Expenses	30,019,113	31,634,756	31,051,083	35,459,034	36,165,905	38,423,972	40,091,723	40,411,936	40,413,218	38,591,960
Business-Type Activities:										
Water Utility	3,696,360	3,830,735	3,964,028	3,763,190	3,696,111	4,269,598	4,263,391	4,780,644	4,450,415	4,622,668
Sewer Utility	4,164,390	4,330,106	4,616,131	4,517,979	4,710,334	5,113,311	4,966,224	4,987,541	5,030,761	4,951,150
Solid Waste Management	1,749,193	1,685,265	1,728,745	1,751,984	1,851,371	2,007,021	2,266,099	2,373,306	2,513,726	2,581,355
Recreation Facilities	1,680,839	1,735,131	1,790,010	1,885,070	1,897,000	1,936,693	2,095,997	2,222,772	2,358,398	2,066,756
Total Business-Type Activities Expenses	11,290,782	11,581,237	12,098,914	11,918,223	12,154,816	13,326,623	13,591,711	14,364,263	14,353,300	14,221,929
Total Primary Government Expenses	\$41,309,895	\$43,215,993	\$43,149,997	\$47,377,257	\$48,320,721	\$51,750,595	\$53,683,434	\$54,776,199	\$54,766,518	\$52,813,889
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government										
Public Safety	\$1,272,226	\$1,343,635	\$2,905,819	\$1,174,030	\$1,282,363	\$1,253,147	\$2,146,381	\$2,135,946	\$2,002,295	\$2,333,954
Leisure Time Activities	107,392	21,239	17,073	1,463,507	1,715,358	1,790,379	1,108,266	1,264,931	1,144,876	1,224,775
Community Development	87,931	95,126	63,257	474,215	200,442	218,759	238,651	248,862	278,973	252,125
Basic Utility Service	530,645	487,169	394,855	65,027	487,966	341,793	446,641	365,788	335,889	79,800
Transportation and Street Repair	408,479	494,624	445,150	491,588	479,807	733,410	491,304	512,159	640,082	384,635
Operating Grants and Contributions	0	0	0	0	0	0	6,665	15,307	28,587	26,561
Capital Grants and Contributions	3,507,178	1,481,204	1,279,580	2,628,669	3,356,835	2,751,313	3,193,430	3,352,963	3,010,499	3,614,620
	335,590	150,233	1,797,917	1,556,398	781,952	1,410,875	647,472	1,331,917	790,846	3,115,434
Total Governmental Activities Program Revenue:	6,249,441	4,073,230	6,903,651	7,853,434	8,304,723	8,499,676	8,278,810	9,227,873	8,232,047	11,031,904

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	3,873,447	3,759,023	3,777,374	3,749,292
Sewer Utility	3,576,138	3,995,556	4,234,392	4,170,483	4,569,010	4,569,801	4,612,647	4,720,792	4,795,347	5,229,115
Solid Waste Management	1,508,115	1,371,403	1,410,475	1,460,257	1,492,120	1,567,007	1,620,155	1,774,420	1,937,507	2,294,545
Recreation Facilities	1,409,174	1,486,307	1,417,897	1,533,572	1,644,698	1,696,093	2,015,057	2,057,814	2,084,567	1,953,697
Operating Grants and Contributions	0	0	273,206	0	0	0	0	33,290	65,667	25,919
Total Business-Type Activities Program Revenue	9,839,661	10,148,727	10,718,881	10,673,427	11,174,142	11,646,576	12,121,306	12,345,339	12,660,462	13,252,568
Total Primary Government Program Revenues	\$16,089,102	\$14,221,957	\$17,622,532	\$18,526,861	\$19,478,865	\$20,146,252	\$20,400,116	\$21,573,212	\$20,892,509	\$24,284,472
Net (Expense)/Revenue										
Governmental Activities	(\$23,769,672)	(\$27,561,526)	(\$24,147,432)	(\$27,605,600)	(\$27,861,182)	(\$29,924,296)	(\$31,812,913)	(\$31,184,063)	(\$32,181,171)	(\$27,560,056)
Business-type activities	(1,451,121)	(1,432,510)	(1,380,033)	(1,244,796)	(980,674)	(1,680,047)	(1,470,405)	(2,018,924)	(1,692,838)	(969,361)
Total Primary Government Net Expenses	(\$25,220,793)	(\$28,994,036)	(\$25,527,465)	(\$28,850,396)	(\$28,841,856)	(\$31,604,343)	(\$33,283,318)	(\$33,202,987)	(\$33,874,009)	(\$28,529,417)
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	\$23,770,850	\$20,975,945	\$23,206,157	\$23,652,942
Property Taxes Levied for:										
General Purposes	4,558,801	4,958,234	5,958,198	4,954,867	1,293,193	1,560,761	1,106,422	1,547,487	1,551,760	1,474,934
Special Revenue Purposes	0	449,200	0	0	3,679,353	4,515,318	3,306,657	3,921,193	3,799,059	3,595,787
Grants and Entitlements not Restricted	2,916,695	1,725,249	2,728,213	2,263,680	3,197,933	3,111,723	3,008,438	1,571,533	2,143,796	2,412,622
Unrestricted Contributions	1,400	33,320	0	0	0	0	0	375,000	0	0
Investment Earnings	729,920	543,188	380,569	946,699	1,464,849	1,676,017	1,416,837	403,898	216,726	177,580
Refunds	304,120	47,791	0	0	0	90,431	179,369	0	0	0
Other Revenues	129,755	68,403	317,431	273,167	1,219,247	156,129	172,337	168,142	211,309	642,837
Transfers-Internal Activities	(550,000)	(396,000)	(650,000)	(650,000)	(550,000)	(640,000)	(1,280,000)	(568,060)	(918,072)	(440,000)
Total Governmental Activities	27,205,453	25,887,022	28,962,474	28,105,089	32,607,138	33,961,915	31,680,910	28,395,138	30,210,735	31,516,702
Business-Type Activities:										
Investment Earnings	442,843	300,408	162,472	428,305	647,220	685,420	359,838	120,747	95,397	61,252
Other Revenues	387,152	37,895	69,615	139,966	37,254	275,158	108,814	126,228	142,321	145,376
Transfers-Internal Activities	550,000	396,000	650,000	650,000	550,000	640,000	1,280,000	568,060	918,072	440,000
Total Business-Type Activities	1,379,995	734,303	882,087	1,218,271	1,234,474	1,600,578	1,748,652	815,035	1,155,790	646,628
Total Primary Government	\$28,585,448	\$26,621,325	\$29,844,561	\$29,323,360	\$33,841,612	\$35,562,493	\$33,429,562	\$29,210,173	\$31,366,525	\$32,163,330

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Change in Net Assets										
Governmental Activities	\$3,435,781	(\$1,674,504)	\$4,815,042	\$499,489	\$4,745,956	\$4,037,619	(\$132,003)	(\$2,788,925)	(\$1,970,436)	\$3,956,646
Business-Type Activities	(71,126)	(698,207)	(497,946)	(26,525)	253,800	(79,469)	278,247	(1,203,889)	(537,048)	(322,733)
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>	<u>\$146,244</u>	<u>(\$3,992,814)</u>	<u>(\$2,507,484)</u>	<u>\$3,633,913</u>

Source: City Records

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General Fund										
Reserved	\$160,638	\$161,563	\$121,876	\$43,987	\$74,657	\$37,690	\$432,065	\$323,790	\$481,771	\$0
Unreserved	7,933,176	6,821,257	7,911,739	9,273,993	10,510,419	13,655,083	12,692,924	10,262,820	8,748,151	0
Assigned										251,377
Unassigned										10,161,500
Total General Fund	8,093,814	6,982,820	8,033,615	9,317,980	10,585,076	13,692,773	13,124,989	10,586,610	9,229,922	10,412,877
All Other Governmental Funds										
Reserved	5,783,624	10,885,107	6,512,144	6,792,569	5,254,491	2,606,357	3,801,329	1,753,678	8,672,323	0
Unreserved, Reported in:										
Special Revenue Funds	1,439,711	1,243,418	1,364,045	2,062,987	2,617,729	3,353,296	3,911,307	4,433,536	4,546,166	0
Debt Service Funds	0	1,551,097	1,582,749	1,652,542	1,991,644	1,498,864	1,528,211	1,453,973	1,485,833	0
Capital Projects Funds	10,030,048	10,562,319	8,371,053	194,779	(10,454)	146,107	363,059	5,493,406	4,540,749	0
Restricted										17,004,137
Assigned										212,497
Unassigned										(907,538)
Total all Other Governmental Funds	\$17,253,383	\$24,241,941	\$17,829,991	\$10,702,877	\$9,853,410	\$7,604,624	\$9,603,906	\$13,134,593	\$19,245,071	\$16,309,096

Source: City Records

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

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$22,579,590	\$23,392,077	\$26,220,071	\$25,961,492	\$27,105,520	\$28,828,205	\$28,500,970	\$26,861,747	\$28,266,333	\$28,583,571
Fines, Licenses & Permits	1,462,843	1,596,540	2,858,235	1,974,885	2,437,555	2,136,564	2,363,478	2,136,001	2,261,968	2,182,221
Charges for Services	610,245	645,196	851,781	1,573,729	1,525,192	1,962,620	1,809,440	2,211,605	1,790,882	2,370,058
Investment Earnings	718,590	541,134	379,609	815,309	1,441,262	1,635,445	1,456,745	406,997	367,848	211,364
Intergovernmental	5,311,046	4,803,384	4,504,553	6,767,918	6,489,289	6,767,796	7,270,321	6,560,501	6,189,211	7,382,476
Special Assessments	157,814	84,479	63,649	61,048	173,721	253,763	279,582	69,656	28,213	19,026
Other Revenues	787,342	295,901	274,294	436,861	1,322,942	312,794	319,880	662,331	385,809	1,193,989
Total Revenues	\$31,627,470	\$31,358,711	\$35,152,192	\$37,591,242	\$40,495,481	\$41,897,187	\$42,000,416	\$38,908,838	\$39,290,264	\$41,942,705
Expenditures:										
Current:										
General Government	\$6,049,495	\$6,055,799	\$6,036,322	\$6,451,328	\$7,355,804	\$6,697,012	\$7,302,449	\$7,932,771	\$7,591,020	\$7,868,338
Public Safety	11,861,430	11,855,307	12,344,876	12,958,223	13,570,140	14,094,273	14,932,090	15,262,238	15,724,127	15,276,912
Leisure Time Activities	1,754,887	1,219,328	1,314,111	1,887,376	2,083,769	2,215,832	2,449,825	2,600,220	2,683,583	2,527,523
Community Development	5,283,792	2,297,100	1,033,798	1,107,022	1,183,209	1,573,045	1,588,348	1,439,439	1,451,970	1,326,096
Basic Utility Service	521,909	481,265	509,030	506,372	508,183	461,934	453,750	524,491	510,171	479,877
Transportation and Street Repair	5,612,924	2,817,083	2,528,611	7,908,631	6,058,791	7,946,070	8,260,640	7,318,320	6,208,262	5,315,056
Public Health and Welfare	25,576	25,809	25,278	25,007	24,363	24,166	23,457	23,074	22,441	21,998
Capital Outlay	0	6,480,035	14,417,429	10,226,385	7,349,867	5,363,198	2,368,797	6,902,977	6,092,909	7,697,920
Debt Service:										
Principal Retirement	651,910	658,519	914,716	953,756	945,591	890,000	870,000	954,515	1,233,549	1,577,547
Interest and Fiscal Charges	539,959	615,988	676,748	642,186	998,885	954,928	855,696	565,524	776,107	1,024,387
Bond Issuance Cost	0	0	0	0	0	0	0	74,141	152,681	0
Total Expenditures	\$32,301,882	\$32,506,233	\$39,800,919	\$42,666,286	\$40,078,602	\$40,220,458	\$39,105,052	\$43,597,710	\$42,446,820	\$43,115,654

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Excess (Deficiency) of Revenues Over Expenditures	(\$674,412)	(\$1,147,522)	(\$4,648,727)	(\$5,075,044)	\$416,879	\$1,676,729	\$2,895,364	(\$4,688,872)	(\$3,156,556)	(\$1,172,949)
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$28,662	\$21,086	\$37,572	\$17,295	\$636,750	\$12,002	\$16,134	\$346	\$18,115	\$25,929
Issuance of Capital Leases	0	0	0	0	0	0	0	378,346	0	0
Issuance of Long-Term Capital-Related Debt	4,500,000	7,500,000	0	0	0	0	0	6,065,000	9,125,000	0
Sale of Refunding Bonds	0	0	0	0	0	0	0	2,750,000	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	(2,829,535)	0	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	0	0	0	0	35,083	37,037	0
Transfers In	2,824,720	3,469,673	2,958,603	3,092,588	6,168,926	4,818,767	5,922,490	9,330,293	3,374,427	3,591,239
Transfers (Out)	(3,424,720)	(3,965,673)	(3,708,603)	(3,877,588)	(6,804,926)	(5,648,587)	(7,402,490)	(10,048,353)	(4,644,233)	(4,197,239)
Total Other Financing Sources (Uses)	3,928,662	7,025,086	(712,428)	(767,705)	750	(817,818)	(1,463,866)	5,681,180	7,910,346	(580,071)
Net Change in Fund Balances	\$3,254,250	\$5,877,564	(\$5,361,155)	(\$5,842,749)	\$417,629	\$858,911	\$1,431,498	\$992,308	\$4,753,790	(\$1,753,020)
Debt service as a percentage of noncapital expenditures (1)	4.6%	4.4%	5.4%	5.0%	5.9%	5.3%	4.7%	4.2%	5.5%	7.3%

Source: City Records

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

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

Calendar Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total Assessed		Total Estimated		Total Direct Rate
	Assessed	Value	Assessed	Value	Assessed	Value	Value	Value	Actual Value	Rate	
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		3,013,119,517		5.94
2007 (1)	940,328,360		83,540,896		26,584,060		1,050,453,316		3,001,295,189		5.94
2008 (1)	953,317,810		63,486,119		24,221,990		1,041,025,919		3,040,020,341		5.94
2009 (1)	1,021,253,020		0		24,308,010		1,045,561,030		3,036,815,632		5.94
2010 (1)	976,992,690		0		25,642,990		1,002,635,680		2,786,117,887		5.94
2011 (1)	923,744,720		0		30,787,720		954,532,440		2,652,448,898		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, Ohio
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
Schedule 6

Calendar Year	Direct Rate			Overlapping Rates		
	General Fund	Police Levy	Fire/EMS Levy	Total	County Levy	School Levy
2002	0.99	0.30	4.65	5.94	8.75	54.10
2003	0.99	0.30	4.65	5.94	8.75	53.82
2004	0.99	0.30	4.65	5.94	8.74	53.82
2005	0.99	0.30	4.65	5.94	8.74	58.66
2006	0.99	0.30	4.65	5.94	9.44	58.60
2007	0.99	0.30	4.65	5.94	10.95	58.60
2008	0.99	0.30	4.65	5.94	10.45	58.60
2009	0.99	0.30	4.65	5.94	9.75	56.59
2010	0.99	0.30	4.65	5.94	9.75	56.52
2011	0.99	0.30	4.65	5.94	9.72	56.60

Source: County Auditor

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

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

2011 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio, Inc.	\$29,145,660	3.05%
Sam Boymel Trustee	10,145,040	1.06%
Ohio Casualty Insurance Co.	6,243,640	0.65%
Cincinnati Financial Group	6,067,160	0.64%
Faith-Village Park Apartments	5,642,110	0.59%
Timber Hollow Apartments, LLC	5,125,150	0.54%
Rajole, LLC	4,890,590	0.51%
TGM Camelot, Inc.	4,791,740	0.50%
Penn Gardens Capital Partners	4,242,050	0.44%
Meijer Stores, Ltd.	4,126,360	0.43%
	<u>\$80,419,500</u>	<u>8.41%</u>

2005 (3)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas & Electric Company	\$20,629,170	1.96%
Cincinnati Financial Corp.	15,927,450	1.52%
Sam Boymel Trustee	9,142,420	0.87%
Ohio Casualty Insurance Co.	6,952,730	0.66%
Faith-Village Park Apartments	5,437,970	0.52%
Cincinnati Bell Telephone	5,309,690	0.51%
Alliance TP Portfolio LTD	5,243,500	0.50%
Teacher Retirement System	5,045,490	0.48%
TGM Camelot, Inc.	5,009,330	0.48%
Cincinnati-Oxford Assn.	4,655,000	0.44%
	<u>\$83,352,750</u>	<u>7.94%</u>

Source: County Auditor

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

(2) - 2011 tax year

(3) - 2005 tax year

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$5,027,858	\$4,451,961	88.55%	\$130,067	\$4,582,028	91.13%
2003	4,701,032	4,553,855	96.87%	147,215	4,701,070	100.00%
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%
2008	5,435,599	4,973,339	91.50%	242,262	5,215,601	95.95%
2009	5,174,402	4,860,458	93.93%	173,884	5,034,342	97.29%
2010	5,184,904	4,963,811	95.74%	63,638	5,027,449	96.96%
2011	5,225,619	4,993,958	95.57%	175,800	5,169,758	98.93%

Source: County Auditor

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

Calendar Year	Income Tax Rate	Withholding	Business	Individuals	Total	Percentage of Total		
						Withholding	Business	Individuals
2002	1.50%	\$13,613,373	\$1,513,207	\$3,100,696	\$18,227,276	74.7%	8.3%	17.0%
2003	1.50%	14,323,319	2,033,946	2,628,683	18,985,948	75.4%	10.7%	13.8%
2004	1.50%	15,268,560	2,149,376	3,013,100	20,431,036	75.4%	10.7%	13.9%
2005	1.50%	16,077,087	2,481,067	2,861,497	21,419,651	74.7%	10.5%	14.8%
2006	1.50%	16,835,490	2,453,588	2,884,054	22,173,132	75.9%	11.1%	13.0%
2007	1.50%	18,435,779	3,030,632	2,650,151	24,116,562	76.4%	12.6%	11.0%
2008	1.50%	17,973,429	3,554,484	2,646,073	24,173,986	74.4%	14.7%	10.9%
2009	1.50%	17,079,959	2,409,419	2,772,187	22,261,565	76.7%	10.8%	12.5%
2010	1.50%	16,998,101	3,732,095	2,865,283	23,595,479	72.0%	15.8%	12.1%
2011	1.50%	17,706,498	3,315,767	2,951,183	23,973,448	73.9%	13.8%	12.3%

Source: City Finance Department

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

	2011
Name	Amount
Cincinnati Insurance	\$2,666,320
Liberty Mutual Group	1,159,700
Mercy Regional Health Solutions	993,104
Fairfield Board of Education	645,954
Medco Health Solutions	615,607
City of Fairfield	307,524
Koch Meat Co Inc	263,798
Pacific Mfg Ohio Inc	223,162
Devco Holdings	149,011
FedEx Freight East Inc.	144,696
Total Collections - Principal Taxpayers	<u>\$7,168,876</u>
Total Collections	\$23,973,447
Combined percentage of total income taxes	29.9%
	2006
Name	Amount
Cincinnati Insurance	\$2,556,982
Ohio Casualty Group	1,132,127
Mercy Regional Health System	737,669
Fairfield Board of Education	632,349
Medco Health Solutions	510,152
City of Fairfield	259,417
Pacific Mfg Ohio Inc.	226,750
FedEx Freight East Inc.	182,398
PNG Telecommunications Inc.	159,146
Koch Meat Co Inc.	228,501
Total Collections - Principal Taxpayers	<u>\$6,625,491</u>
Total Collections	\$22,173,132
Combined percentage of total income taxes	29.9%

Source: City Finance Department

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

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

Calendar Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	Loans	General Obligation Bonds	Mortgage Revenue Bonds	Notes Payable			
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%	\$698
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%	831
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%	781
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%	1,002
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%	938
2007	12,530,000	8,000,000	0	0	8,041,787	1,795,000	3,045,000	2,500,000	35,911,787	0.30%	853
2008	11,660,000	6,500,000	0	0	7,362,653	1,700,000	2,800,000	2,000,000	32,022,653	0.25%	761
2009	16,840,566	0	0	348,831	6,655,829	3,843,489	0	1,900,000	29,588,715	0.24%	703
2010	24,832,967	0	0	275,282	5,920,185	3,483,678	0	1,700,000	36,212,112	N/A	852
2011	23,323,331	2,250,000	0	197,735	5,154,545	3,113,867	0	1,500,000	35,539,478	N/A	836

Source: City Finance Department

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

N/A - Information not available

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

Calendar Year	General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds		
2002	\$16,410,000	0.68%	\$390
2003	22,750,000	0.83%	540
2004	21,300,000	0.77%	506
2005	19,780,000	0.70%	470
2006	18,585,000	0.62%	441
2007	17,370,000	0.58%	413
2008	16,160,000	0.53%	384
2009	20,684,055	0.68%	491
2010	28,316,645	1.02%	666
2011	26,437,198	1.00%	622

Source: City Finance Department

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

City of Fairfield, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011
Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$60,103,581	12.90%	\$7,753,362
Fairfield City School District	28,502,795	69.66%	\$19,855,047
Lakota Local School District	159,815,000	0.41%	\$655,242
Butler Technology & Career Center Jt. Voc. School District	4,500,000	11.76%	\$529,200
Subtotal Overlapping Debt	252,921,376		28,792,851
City of Fairfield - Direct Debt	30,110,000	100.00%	30,110,000
Total Direct and Overlapping Debt	\$283,031,376		\$58,902,851

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.

Legal Debt Margin Calculation for Calendar Year 2011				
Assessed Value	\$954,532,440			\$954,532,440
Statutory Legal Debt Limitation (1)	10.5%			5.5%
Total Debt Limitation	100,225,906			52,499,284
Debt Applicable to Limit:				
Gross Indebtedness	30,187,198			30,187,198
Less: Bond Retirement Fund Balance	0			0
Total Net Debt Applicable to Limit	30,187,198			30,187,198
Legal Debt Margin	\$70,038,708			\$22,312,086

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Debt Limit (1)										
Debt Limit (10.5%)	\$89,181,086	\$100,610,186	\$102,285,958	\$103,507,593	\$110,732,142	\$110,297,598	\$109,307,721	\$109,783,908	\$105,276,746	\$100,225,906
Total Net Debt Applicable to Limit	17,910,000	24,250,000	22,800,000	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	30,187,198
Legal Debt Margin	\$71,271,086	\$76,360,186	\$79,485,958	\$70,727,593	\$79,947,142	\$82,427,598	\$84,647,721	\$87,199,853	\$75,260,101	\$70,038,708
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	20.1%	24.1%	22.3%	31.7%	27.8%	25.3%	22.6%	20.6%	28.5%	30.1%

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$46,713,902	\$52,700,574	\$53,578,359	\$54,218,263	\$58,002,551	\$57,774,932	\$57,256,426	\$57,505,857	\$55,144,962	\$52,499,284
Total Net Debt Applicable to Limit	17,910,000	24,250,000	22,800,000	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	30,187,198
Legal Debt Margin	\$38,235,534	\$37,187,636	\$38,870,555	\$40,358,094	\$45,264,338	\$45,369,308	\$44,844,166	\$40,698,303	\$26,828,317	\$22,312,086
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	38.3%	46.0%	42.6%	60.5%	53.1%	48.2%	43.1%	39.3%	54.4%	57.5%

Source: City Records

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

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
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
2008	142,506	0	0	N/A
2009	37,251	0	0	N/A
2010	25,576	0	0	N/A
2011	274,721	0	0	N/A

Source: County Auditor

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

N/A - Information not available

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002	42,097	\$9,938,473	\$29,273	4.30%
2003	42,097	10,285,549	30,014	4.60%
2004	42,097	10,844,563	31,332	4.80%
2005	42,097	11,080,584	31,662	4.70%
2006	42,097	11,707,628	33,130	4.50%
2007	42,097	12,114,458	33,848	5.10%
2008	42,097	12,811,630	35,511	6.20%
2009	42,097	12,585,955	34,654	9.30%
2010	42,510	N/A	N/A	8.80%
2011	42,510	N/A	N/A	7.90%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (4) - Ohio Bureau of Employment Services

N/A - Information not available

2011			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
BAE Systems	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Schools	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Schools	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Administration	5	6	6	5	5	5	5	5	5	5
City Council	2	2	2	2	2	2	2	2	2	2
Engineering	8	8	8	7	7	7	7	7	6	6
Facility/Janitors	2	2	2	2	2	2	2	2	2	2
Municipal Court	17	19	19	18	19	21	21	21	21	21
Finance	19	19	20	21	20	20	21	23	22	21
Public Safety										
Police										
Officers	59	60	59	61	60	60	60	61	60	59
Non-Sworn	19	20	20	19	20	21	21	20	20	20
Fire	23	24	24	27	30	30	30	31	31	30
Leisure Time Activities										
Parks and recreation	17	21	21	23	22	22	22	22	21	20
Community Development										
Planning and Zoning	5	4	4	4	4	4	4	4	4	4
Building Inspection	7	7	8	8	9	9	10	10	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	21	22	22	21	20	22	21	21	21	21
Wastewater	23	22	23	21	22	22	22	22	21	22
Transportation and Street Repair	27	26	30	30	30	30	30	30	29	28
Total	255	263	269	270	273	278	279	282	274	270

Source: City Finance Department

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

Function/Program	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Community Environment										
Planning and Development										
Building permits issued	2,164	2,140	2,237	2,192	1,910	1,739	1,902	1,890	1,806	1,787
Building inspections conducted	6,847	5,343	5,733	4,895	4,030	3,491	4,196	2,841	3,250	2,665
Economic Development										
Value of Residential Construction	\$15,291,021	\$19,381,595	\$18,884,763	\$19,727,985	\$15,292,249	\$8,266,873	\$5,987,184	\$7,878,345	\$7,131,659	\$6,581,580
Value of Commercial Construction	\$39,900,230	\$76,493,987	\$28,039,382	\$45,152,931	\$68,682,460	\$31,323,193	\$40,943,871	\$10,637,756	\$18,436,106	\$16,158,312
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,228	1,322	1,122	1,126	1,050	1,163	932	1,060	1,108	948
Dollar Amount of Refunds	\$400,338	\$551,286	\$490,110	\$514,281	\$435,208	\$650,850	\$886,280	\$838,260	\$733,150	\$488,939
Average Refund Amount	\$326	\$417	\$437	\$457	\$414	\$560	\$951	\$791	\$662	\$516
Court										
Number of Criminal Cases	2,759	4,111	2,744	3,432	4,066	4,063	4,123	4,702	4,478	4,334
Number of Civil Cases	1,540	1,638	1,928	1,876	1,905	2,014	2,136	1,837	1,660	1,667
Construction Services										
Square Footage of Sidewalk Repairs	47,330	12,823	14,769	1,110	16,439	17,198	26,999	32,598	19,432	31,350
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	1,387	1,483	1,236	1,223	1,178	1,929	3,798	3,612	3,458	3,476
Juvenile	393	385	382	474	565	441	497	387	355	26
Citations	7207	7,036	5,428	7,354	5,758	3,438	3,847	3,432	3,208	2,555
Accidents	1,563	1,516	1,516	1,470	1,514	1,403	1,628	1,283	1,207	1,232
Fire										
Emergency responses	3,484	3,574	3,681	3,818	4,247	5,257	3,929	4,355	4,676	5,378
Fire Calls	167	172	143	3,172	4,461	1,244	2,366	1,022	879	869
Inspections	3,000	3,300	3,200	3,560	3,600	2,841	2,032	2,100	2,124	2,136
Transportation										
Public Works										
Number of Street Miles Resurfaced	8	9	6	6	5	8	7	6	7	5
Tons of Street Salt Used	3,240	6,725	4,159	3,811	949	5,648	6,663	5,277	8,146	3,671
Cubic Yards of Leaves Picked-up	7,346	3,053	5,770	5,985	8,054	5,300	4,056	6,074	4,396	2,929

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

Function/Program	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Leisure										
Parks and Recreation										
Number of Theater Patrons	(a)	(a)	(a)	8,113	11,842	12,645	13,775	15,516	14,395	12,897
Number of Pool Admissions	36,550	38,000	40,139	42,614	43,124	42,204	41,747	34,741	46,505	42,450
Program Attendance:										
Youth/Preschool	7,224	8,168	9,259	15,245	18,968	33,535	26,464	19,710	18,861	21,166
Fitness	320	725	950	6,800	8,311	11,225	12,695	12,298	12,254	9,913
Senior Activities	320	350	420	5,500	9,883	11,152	12,957	14,521	13,559	18,332
Water										
Water main breaks	43	43	55	55	35	66	65	64	60	45
Average daily consumption (millions of gallons)	5.057	4.789	4.986	5.125	5.040	5.760	5.360	5.250	5.200	5.110
Peak daily consumption (millions of gallons)	7.020	5.366	5.739	6.076	6.546	7.883	8.208	7.749	7.407	8.430
Wastewater										
Average daily sewage treatment (millions of gallons)	5.724	5.717	5.605	5.977	5.308	5.900	5.679	5.084	4.934	6.528

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,795	17,795	17,795	17,795	50,033	50,033	50,033	50,033	50,033	50,033
Police Cruisers	20	21	21	21	26	26	26	26	26	27
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	5	5	5	5	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)	147.0	147.0	160.5	160.5	160.5	160.5	160.5	160.5	160.5	160.6
Highways (miles)	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.27
Streetslights	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	2,962
Traffic signals	52	53	53	53	55	58	58	58	58	60
Parks and Recreation										
Number of Parks	24	24	24	24	25	25	25	25	25	25
Area of Parks (acreage)	438.50	438.50	438.50	438.50	469	469	469	469	469	469
Playgrounds	10	11	11	12	12	12	12	12	12	12
Baseball/softball diamonds	16	16	16	16	16	16	16	16	16	16
Soccer/football fields	11	11	11	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	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Water Mains (miles)	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00
Fire hydrants	2,255	2,278	2,299	2,301	2,326	2,326	2,384	2,384	2,384	1,965
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)	160.20	160.40	161.00	164.00	166.10	166.10	175.00	175.00	175.00	175.00

Source: Various City Departments

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