



City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2013

City of Fairfield, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

Prepared By:
Department of Finance
Mary Hopton, Director

On the Cover

A sculpture of “Wall Street Journal” designed by Glenna Goodacre of Santa Fe, New Mexico sits on a park bench at Village Green Plaza with the Fairfield Lane Public Library in the background.

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Introductory Section

June 27, 2014

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

The Comprehensive Annual Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 2013 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 that are keeping jobs at a consistent level in Fairfield.

The City's income tax showed some signs of improvement in 2012; however, not to a level to compensate for the loss of \$1.5 million in State revenue. In the November, 2012 election, a ballot issue passed to reapportion the 1.5% income tax to help offset the State revenue losses. This reapportionment reallocated approximately \$1.5 million by moving .05% each from the Street and Capital Improvement funds into the General fund.

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 following two years. As of January 1, 2013, the State legislature also eliminated the estate tax. These financial policies have resulted in an estimated loss of \$1.5 million in revenue to the City.

Currently the State legislature is working to balance the State's budget. As part of that initiative, there is proposed legislation (HB 5) seeking to modify what a municipal government can levy an income tax on as well as how the municipal government can collect that income tax. Municipal representatives have been working closely with the bill's sponsors and proponents to reach a consensus on the bill, which is currently in the Senate Finance Committee.

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 2013:

- 1) A project that began in 2012 was the construction of a park, known as Huffman Park with an estimated total cost of \$925,000. This project began with a substantial donation from the Huffman family of \$860,000. This park is developed as an outdoor learning and golf center and was completed in 2013.
- 2) Improvements to Seward Road including widening a segment of Seward Road from Union Centre to Port Union Road from two to three lanes. This project will benefit the business corridor along Seward Road. The project was completed in 2013 at an estimated cost of \$1.8 million with outside funding of approximately \$900,000 from the Ohio Public Works Commission and Community Development Block Grant monies.
- 3) Construction work continued on the Exit 39 on I-275. These 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. The City has spent approximately \$1.5 million on this project which is expected to be completed in the summer of 2014.
- 4) Replacement of the SCADA (Supervisory Control and Data Acquisition) system at the Wastewater Plant was substantially complete at the end of 2013. The current system has become outdated since the installation in 1988. The estimated cost to replace this system is \$550,000. This project is expected to be completed in 2014.

- 5) The preliminary work on the improvements at the intersection State Route 4 and Holden Boulevard began in 2013. This project will improve the traffic by adding an additional eastbound left turn lane from South Gilmore and an additional westbound turn lane from Holden Boulevard with an estimated cost of \$2.7 million including outside funding from the Ohio Department of Transportation of \$2.4 million. Construction is scheduled to begin late summer of 2014.

Future Projects

Accomplishments and significant capital projects to look forward to in 2014 include the following:

- 1) Improvements to US 127 (Pleasant Avenue) at the southern end of Fairfield will begin in late 2014 to early 2015. The addition of a center turn lane and lengthening of the southbound lane will help with the increased traffic on US 127. This project is estimated to cost \$900,000 with 90% funding from the Ohio Department of Transportation grant.
- 2) The City continues to explore the addition of a generator to the Wastewater Plant. This generator would help maintain operations in the event of an emergency. The total estimated cost of adding this generator is \$2.5 million. Financing options are being considered to make this project possible with the hopes of beginning the project in late 2014 to early 2015.

Internal Accounting and Budgetary Controls

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

Budgetary control is maintained at the department level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as assignments of the fund balance for the governmental fund types at December 31, 2013.

City Income Tax

Under the Ohio Revised Code, Section 718, municipal governments can levy an income tax. Since 1960, the City has levied an income tax on gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. The current income tax rate of 1.5% was approved by voters in 1971. Though the rate has remained the same since 1971, the allocation

of the income taxes has changed 3 times. The latest voter approved allocation occurred in 2012, effective for 2013. The new allocation of the income tax is 1.2% to the General fund, 0.15% to the Street Improvement fund and 0.15% to the Capital Improvement fund.

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

	2013	2012
General fund 1.2%	\$20,759,109	\$18,016,557
Street Improvement fund .15%	2,594,889	3,275,738
Capital Improvement fund .15%	2,594,889	3,275,738
	<u> </u>	<u> </u>
Gross Revenues	<u>\$25,948,887</u>	<u>\$24,568,033</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, 2012. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

Respectfully submitted,
CITY OF FAIRFIELD



Arthur E. Pizzano
City Manager



Mary Hopton
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Ron D'Epifanio

COUNCIL MEMBERS

Vice Mayor – Terry Senger

Tim Abbott
Mike Oler
Tim Meyers

Adam Jones
Marty Judd
Debbie Pennington

APPOINTED OFFICIALS

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

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

DEPARTMENT OF FINANCE

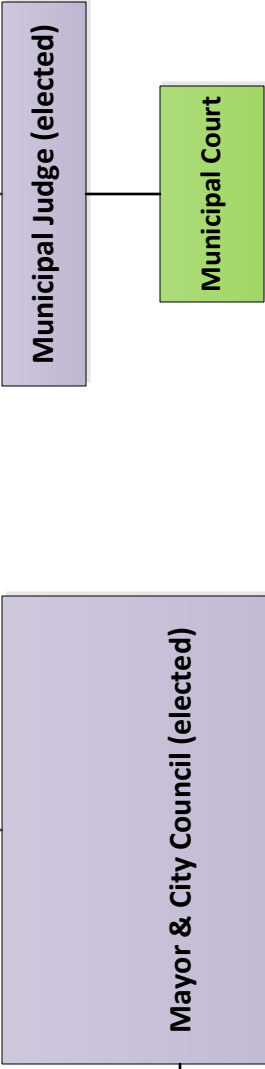
Mary Hopton, MBA
Tina Williams, CPA
Tom Hedge
Joseph Waldmann
Karen Broughton

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

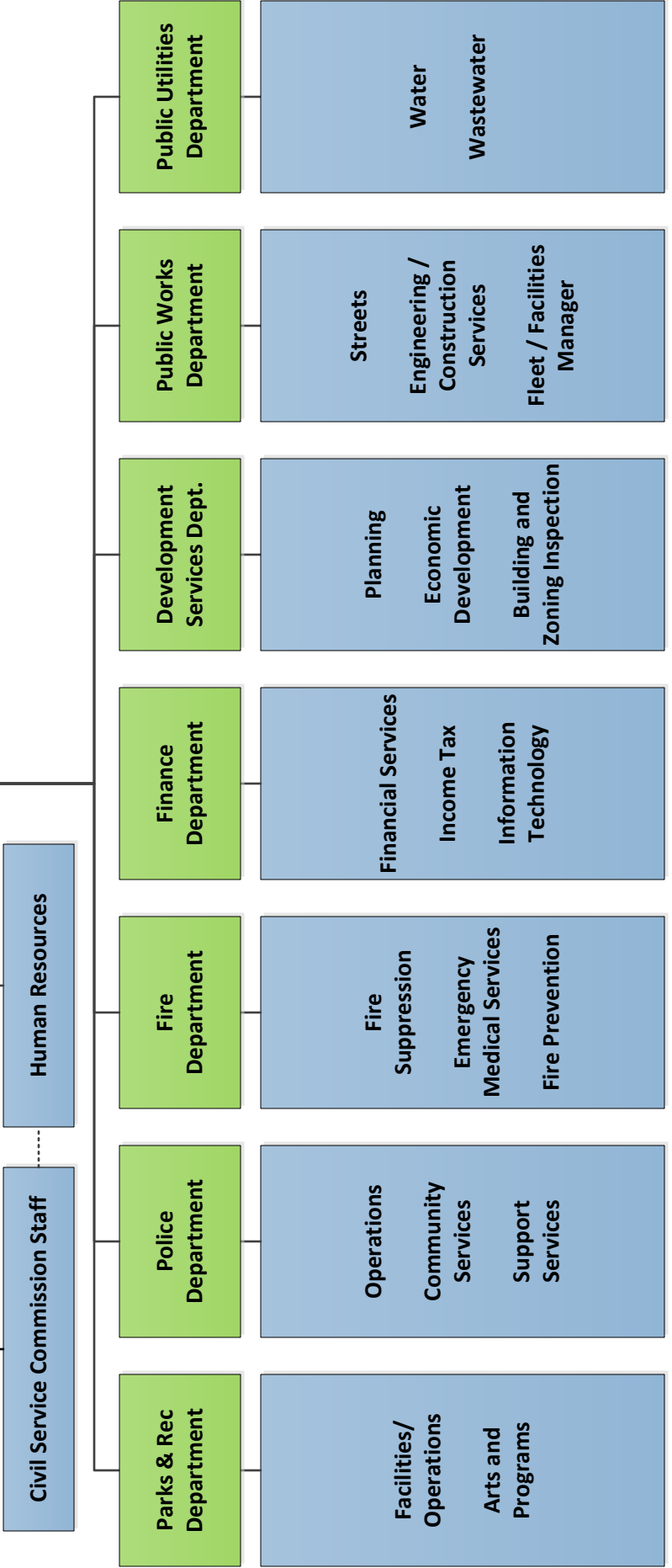
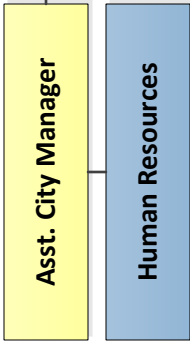
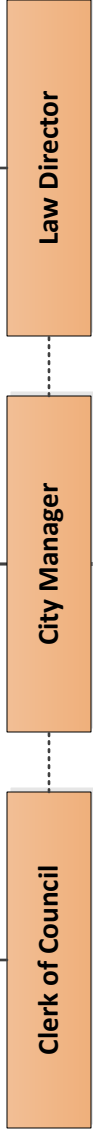


City Of Fairfield Service Delivery Chart

Citizens of Fairfield



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





Government Finance Officers Association

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

Presented to

**City of Fairfield
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

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Financial Section

INDEPENDENT AUDITORS' REPORT

To the City Council of the
City of Fairfield, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 58 through 63, respectively, 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.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014 on our consideration of the City of Fairfield'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* in considering City of Fairfield's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Dayton, Ohio
June 27, 2014

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2013
(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, 2013. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The City's total net position increased \$7,365,041. Net position of governmental activities increased \$6,429,359, net position of business-type activities increased by \$935,682.
- The general fund reported a fund balance of \$15,594,579.
- Business-type operations reflected operating income of \$826,143 .
- The City had \$36,077,934 in expenses relating to governmental activities; program revenues offset \$8,805,180 of these expenses. General revenues of \$33,847,113 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City of Fairfield is financially better off or worse off as a result of the year's activities. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes to that position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements need to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2013
(Unaudited)

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

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

Fund Financial Statements

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Fire Levy, Street Improvement, Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities.

Governmental Funds - Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

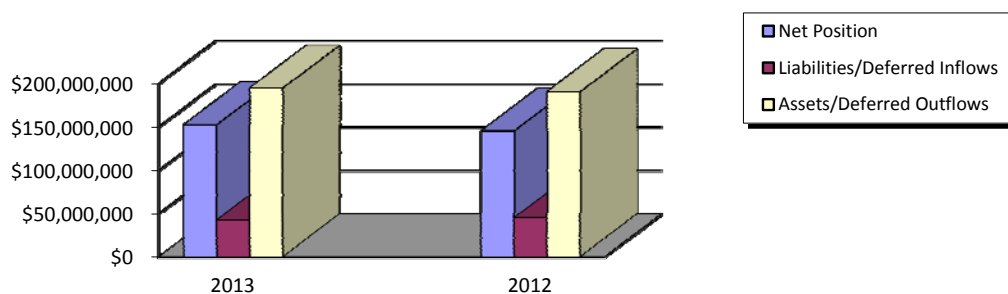
City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2013
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2013 compared to 2012.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
Assets:						
Current and Other Assets	\$46,253,379	\$41,229,632	\$12,176,704	\$11,749,075	\$58,430,083	\$52,978,707
Capital Assets	90,651,113	90,892,988	44,817,772	45,812,908	135,468,885	136,705,896
Total Assets	136,904,492	132,122,620	56,994,476	57,561,983	193,898,968	189,684,603
Deferred Outflows of Resources	291,663	322,466	39,670	0	331,333	322,466
Liabilities:						
Long-Term Liabilities	24,730,101	26,681,471	6,344,078	7,664,424	31,074,179	34,345,895
Other Liabilities	4,090,377	4,199,637	2,184,358	2,327,531	6,274,735	6,527,168
Total Liabilities	28,820,478	30,881,108	8,528,436	9,991,955	37,348,914	40,873,063
Deferred Inflows of Resources	4,867,040	4,484,700	0	0	4,867,040	4,484,700
Net Position:						
Net Investment In Capital Assets	69,235,249	67,275,297	37,900,975	37,444,547	107,136,224	104,719,844
Restricted	17,137,210	16,117,641	1,021,404	1,018,832	18,158,614	17,136,473
Unrestricted	17,136,178	13,686,340	9,583,331	9,106,649	26,719,509	22,792,989
Total Net Position	\$103,508,637	\$97,079,278	\$48,505,710	\$47,570,028	\$152,014,347	\$144,649,306



Total net position of the City as a whole increased \$7,365,041. Net position of the City's governmental activities increased \$6,429,359, while the net position of the City's business-type activities increased \$935,682 from 2012. The largest portion of the City's net position reflect its investment in capital assets, less any related debt to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens of the City. The City had an unrestricted net position balance of that may be used to meet the government's ongoing obligations to citizens and creditors. Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments, which was mainly due to an increase in the City's investment balance from the prior year. Capital Assets decreased mainly due to depreciation expense being greater than additions. Total Long-Term Liabilities

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decreased mainly due to the City continuing to make its principal payments on its long term debt obligations.

Table 2 shows the changes in net position at year-end and revenue and expense comparisons to 2012.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for Services	\$4,163,918	\$4,328,703	\$14,390,678	\$13,989,199	\$18,554,596	\$18,317,902
Operating Grants and Contributions	2,933,524	3,338,989	31,597	3,999	2,965,121	3,342,988
Capital Grants and Contributions	1,707,738	3,880,495	145,770	0	1,853,508	3,880,495
Total Program Revenues	8,805,180	11,548,187	14,568,045	13,993,198	23,373,225	25,541,385
General Revenues:						
Income Taxes	25,606,839	23,709,192	0	0	25,606,839	23,709,192
Property Taxes	5,015,696	4,936,959	0	0	5,015,696	4,936,959
Grants and Entitlements	1,404,103	1,725,889	0	0	1,404,103	1,725,889
Investment Earnings	126,654	241,232	9,546	(17,798)	136,200	223,434
Other Revenues	1,693,821	851,001	295,954	201,918	1,989,775	1,052,919
Total General Revenues	33,847,113	31,464,273	305,500	184,120	34,152,613	31,648,393
Total Revenues	42,652,293	43,012,460	14,873,545	14,177,318	57,525,838	57,189,778
Program Expenses:						
General Government	7,631,141	8,451,042	0	0	7,631,141	8,451,042
Public Safety	16,268,499	16,249,928	0	0	16,268,499	16,249,928
Leisure Time Activities	3,466,481	3,412,316	0	0	3,466,481	3,412,316
Community Development	1,341,884	1,359,819	0	0	1,341,884	1,359,819
Basic Utility Service	451,823	412,238	0	0	451,823	412,238
Transportation and Street Repair	6,045,380	7,447,779	0	0	6,045,380	7,447,779
Public Health and Welfare	21,476	21,784	0	0	21,476	21,784
Interest and Other Charges	851,250	808,963	0	0	851,250	808,963
Water Utility	0	0	4,626,165	4,510,147	4,626,165	4,510,147
Sewer Utility	0	0	5,139,515	5,100,875	5,139,515	5,100,875
Solid Waste	0	0	2,140,007	2,444,874	2,140,007	2,444,874
Recreation	0	0	2,177,176	2,142,869	2,177,176	2,142,869
Total Program Expenses	36,077,934	38,163,869	14,082,863	14,198,765	50,160,797	52,362,634
Increase (Decrease) in Net Position before Transfers	6,574,359	4,848,591	790,682	(21,447)	7,365,041	4,827,144
Transfers - Internal Activities	(145,000)	(150,000)	145,000	150,000	0	0
Change in Net Position	6,429,359	4,698,591	935,682	128,553	7,365,041	4,827,144
Net Position - Beginning of Year, Restated	97,079,278	92,380,687	47,570,028	47,441,475	144,649,306	139,822,162
Net Position - End of Year	\$103,508,637	\$97,079,278	\$48,505,710	\$47,570,028	\$152,014,347	\$144,649,306

Governmental Activities

The City had a decrease in revenues mainly due to a decrease in Capital Grants and Contributions that the City received in 2013. Total expenses decreased mainly due to the City's continuing effort to control cost throughout the City.

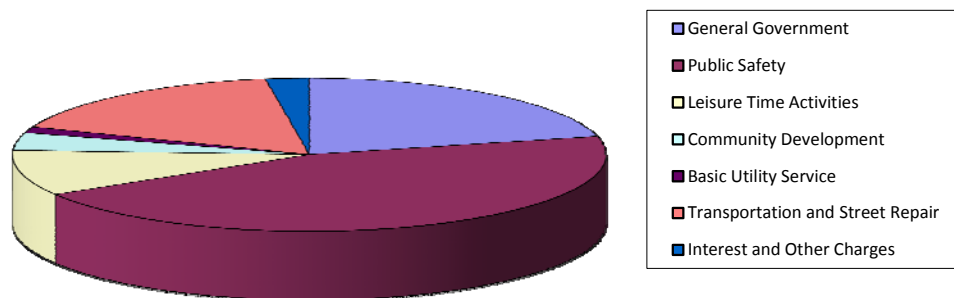
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Council was active in promoting economic growth in Fairfield in 2013, as this economic growth does increase the earnings tax base as well. Fairfield has continued attracting employers to our City in the year 2013, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.50% income tax is the largest source of revenue for the City.

Revenues generated by the earnings tax represent approximately 76% of the City's governmental activities general revenues. During 2013, when most communities were faced with budget cuts due to the economic downturn of the economy, the City's 2013 earnings tax revenues increased approximately 8% over 2012 earnings tax revenues.

Governmental Activities
Program Expenses for 2013

	Percentage
General Government	21%
Public Safety	45%
Leisure Time Activities	10%
Community Development	4%
Basic Utility Service	1%
Transportation and Street Repair	17%
Interest and Other Charges	2%
Total	100%



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

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the current 1.5% rate, was for the purpose of general operations, maintenance, and improvement of services.

The 1.5% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. In November of 1990, the citizens of Fairfield voted to change the distribution of the income taxes that allocated monies to the Sewer Funds. The 1.5% tax rate was subdivided into three components. The first 1.0% is used for operating expenses of the General Fund. Next, 0.3% is used for street construction, improvement and repair. Third, 0.2% of the tax is earmarked for capital improvements of a permanent nature.

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

In 2012, Council asked the voters to change the allocation of the Income Tax revenues in order to maintain current service levels. The current economic conditions, coupled with losses in state revenue, had caused City income to decrease since 2008. The City trimmed the operational budget over that time, resulting in approximately \$1.5 million in cuts and was able to maintain services to the residents by drawing down on fund reserves. In 2012, those fund reserves were at a minimal acceptable level and continuing to draw them down further would put the City's financial situation in a non-sustainable position. In November 2012, the citizens of Fairfield approved the change which, beginning in January 2013, the current tax rate allocates 1.2% for the operating expenses of the General Fund, 0.15% for street construction, improvement and repair and 0.15% for capital improvements of a permanent nature.

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had operating income of \$826,143 for 2013. The operating revenues for business-type activities were \$14,686,632, while operating expenses were \$13,860,489 for 2013. The increase in operating income for 2013 was mainly due to an increase in the City's charges for services revenue, which was mainly due to an increase in water and sewer utilities collections in 2013 as compared to 2012.

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,

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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.

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.

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Waste Collection – The City contracts with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2012, Council authorized a contract renewal for five additional years with Rumpke for Fairfield residents' waste and recycling collection services. Per the City's contract the 2013 rate was \$11.45 per month for curbside service and \$6.50 per month for dumpster service. The rates increased in September, 2013 to \$11.65 per month for curbside service and \$6.65 per month for dumpster service. The full costs of the services are passed-through to the residents. Annual increases are scheduled throughout the contract which will result in the curbside rate to be \$12.25 and the dumpster rate to be \$7.10 at the end of the five year contract.

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

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

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

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

The City's Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and Street Improvement Fund. Assets of the general fund comprised \$21,133,148 (46%), the fire levy fund comprised \$4,000,804 (9%), and the Street Improvement Fund comprised \$6,107,015 (13%), of the total \$45,542,535 governmental fund assets.

General Fund: Fund balance at December 31, 2013 was \$15,594,579, an increase in fund balance of \$3,149,748 from 2012. The general fund had an increase in fund balance mainly due to an increase in

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taxes revenue mainly due to an increase in income tax collections.

Fire Levy Fund: Fund deficit at December 31, 2013 was \$112,500, an decrease in fund deficit of \$119,551 from 2012. The decrease in fund deficit was mainly due to a \$100,000 increase in transfers in to the Fire Levy Fund from the General Fund.

Street Improvement Fund: Fund balance at December 31, 2013 was \$3,945,543. The Street Improvement Fund had a decrease in fund balance primarily due to reapportionment of income tax rate from .2% to .15%.

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 \$24,861,638 and the final actual expenditures were \$22,201,038. The difference was \$2,660,600. 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 2013. As the City completed the year, its General Fund balance reported an actual fund balance of \$14,430,534, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$135,468,885 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2013 balances compared to 2012:

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Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$17,658,421	\$17,798,769	\$1,641,949	\$1,641,949	\$19,300,370	\$19,440,718
Construction in Progress	6,478,653	15,408,497	867,286	306,060	7,345,939	15,714,557
Buildings and Improvements	47,512,653	47,406,718	47,730,577	47,719,118	95,243,230	95,125,836
Equipment	16,680,091	16,496,677	4,560,029	4,309,835	21,240,120	20,806,512
Infrastructure	91,685,449	79,502,167	33,632,746	33,489,382	125,318,195	112,991,549
Accumulated Depreciation	(89,364,154)	(85,719,840)	(43,614,815)	(41,653,436)	(132,978,969)	(127,373,276)
Total Net Capital Assets	<u>\$90,651,113</u>	<u>\$90,892,988</u>	<u>\$44,817,772</u>	<u>\$45,812,908</u>	<u>\$135,468,885</u>	<u>\$136,705,896</u>

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

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

Debt

The City had \$20,457,527 in Governmental Activities long-term debt and \$5,856,467 in Business-Type Activities long-term debt.

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Table 4
Outstanding Debt at Year End

		2013	2012 Restated
Governmental Activities:			
<u>Bonds and Notes:</u>			
Various Purpose Golf and Justice Center - 2009	3.56%	\$5,160,000	\$5,395,000
Various Purpose Refunding - 2009	3.23%	1,480,000	1,750,000
Roadway Improvement Bonds - 2010A	4.64-6.09%	6,000,000	6,000,000
Roadway Improvement Bonds - 2010B	3.74-4.44%	1,230,000	1,230,000
Roadway Improvement Bonds - 2010C	2.00-2.25%	780,000	1,160,000
Various Purpose Refunding - 2012	3.66%	1,110,000	1,455,000
Community Arts Center Refunding 2012	4.50%	4,290,000	4,660,000
Premium/(Discount)	n/a	377,762	424,185
Total Bonds and Notes:		20,427,762	22,074,185
Capital Lease	5.31%	29,765	115,972
Total Governmental Activities		<u>\$20,457,527</u>	<u>\$22,190,157</u>
Business Type Activities:			
OWDA Wastewater Improvement Loan	3.79-4.12%	\$3,528,338	\$4,357,688
Water Refunding Mortgage Revenue Bond - 2009	3.15%	1,155,000	1,425,000
Premium on Various Purpose Water Refunding - 2009	n/a	19,245	24,056
Various Purpose Refunding - 2012	3.66%	1,095,000	1,240,000
Premium on Various Purpose Water Refunding - 2012	n/a	58,884	66,245
Total Business Type Activities		<u>\$5,856,467</u>	<u>\$7,112,989</u>

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

See Notes 9 and 11 to the notes to the basic financial statements for further details on the City's long-term debt.

Economic Factors

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

With the 2012-2013 State operating budget and the elimination of the estate tax in 2013, the City has lost approximately \$1,500,000 in revenue. Fortunately, the City residents approved a reapportionment of the City's current income tax of 1.5% beginning in 2013. This reapportionment will replace the funds lost due to the State budget cuts by reallocating .05% each from the Street Improvement and Capital Improvement funds to the General fund. The income tax allocation beginning in 2013 was 1.2% to the General fund, or approximately \$20.5 million, and 0.15%, approximately \$2.6 million, each to the Street

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Improvement and Capital Improvement funds.

Contacting the City's Finance Department

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

City of Fairfield, Ohio
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$33,233,653	\$9,412,056	\$42,645,709
Restricted Cash and Investments	0	1,021,404	1,021,404
Receivables (Net):			
Taxes	10,060,955	0	10,060,955
Accounts	271,084	1,542,783	1,813,867
Interest	17,594	3,281	20,875
Intergovernmental	2,670,093	0	2,670,093
Inventory	0	197,180	197,180
Nondepreciable Capital Assets	24,137,074	2,509,235	26,646,309
Depreciable Capital Assets, Net	66,514,039	42,308,537	108,822,576
Total Assets	136,904,492	56,994,476	193,898,968
Deferred Outflows of Resources:			
Deferred Charge on Refunding	291,663	39,670	331,333
Total Deferred Outflows of Resources	291,663	39,670	331,333
Liabilities:			
Accounts Payable	1,310,665	515,903	1,826,568
Accrued Wages and Benefits	1,368,367	240,154	1,608,521
Accrued Interest Payable	71,984	10,441	82,425
Due To Other Governments	0	54,043	54,043
Other Liabilities	0	247,006	247,006
Claims Payable	89,361	16,811	106,172
Bond Anticipation Notes Payable	1,250,000	1,100,000	2,350,000
Long-Term Liabilities:			
Due Within One Year	1,823,269	1,315,555	3,138,824
Due In More Than One Year	22,906,832	5,028,523	27,935,355
Total Liabilities	28,820,478	8,528,436	37,348,914
Deferred Inflows of Resources:			
Property Taxes	4,572,000	0	4,572,000
Revenue in Lieu of Taxes	295,040	0	295,040
Total Deferred Inflows of Resources	4,867,040	0	4,867,040
Net Position:			
Net Investment in Capital Assets	69,235,249	37,900,975	107,136,224
Restricted for:			
Debt Service	2,503,239	0	2,503,239
Capital Projects	3,287,231	1,021,404	4,308,635
Street Construction and Repair	5,662,731	0	5,662,731
Court Services	4,558,567	0	4,558,567
Public Safety	321,614	0	321,614
Other Purposes	803,828	0	803,828
Unrestricted	17,136,178	9,583,331	26,719,509
Total Net Position	\$103,508,637	\$48,505,710	\$152,014,347

See accompanying notes to the basic financial statement:

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$7,631,141	\$1,734,805	\$6,339	\$24,364
Public Safety	16,268,499	1,189,223	558,134	0
Leisure Time Activities	3,466,481	281,499	0	0
Community Development	1,341,884	354,464	0	490,388
Basic Utility Service	451,823	565,538	0	0
Transportation and Street Repair	6,045,380	38,389	2,369,051	1,192,986
Public Health and Welfare	21,476	0	0	0
Interest and Other Charges	851,250	0	0	0
Total Governmental Activities	36,077,934	4,163,918	2,933,524	1,707,738
Business-Type Activities:				
Water Utility	4,626,165	4,666,222	0	145,770
Sewer Utility	5,139,515	5,733,338	0	0
Solid Waste	2,140,007	2,119,641	31,297	0
Recreation	2,177,176	1,871,477	300	0
Total Business-Type Activities	14,082,863	14,390,678	31,597	145,770
Totals	\$50,160,797	\$18,554,596	\$2,965,121	\$1,853,508

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$5,865,633)	\$0	(\$5,865,633)
(14,521,142)	0	(14,521,142)
(3,184,982)	0	(3,184,982)
(497,032)	0	(497,032)
113,715	0	113,715
(2,444,954)	0	(2,444,954)
(21,476)	0	(21,476)
(851,250)	0	(851,250)
<u>(27,272,754)</u>	<u>0</u>	<u>(27,272,754)</u>
0	185,827	185,827
0	593,823	593,823
0	10,931	10,931
<u>0</u>	<u>(305,399)</u>	<u>(305,399)</u>
<u>0</u>	<u>485,182</u>	<u>485,182</u>
<u>(27,272,754)</u>	<u>485,182</u>	<u>(26,787,572)</u>
25,606,839	0	25,606,839
1,476,744	0	1,476,744
3,538,952	0	3,538,952
1,404,103	0	1,404,103
723,374	0	723,374
126,654	9,546	136,200
970,447	295,954	1,266,401
<u>(145,000)</u>	<u>145,000</u>	<u>0</u>
<u>33,702,113</u>	<u>450,500</u>	<u>34,152,613</u>
6,429,359	935,682	7,365,041
<u>97,079,278</u>	<u>47,570,028</u>	<u>144,649,306</u>
<u>\$103,508,637</u>	<u>\$48,505,710</u>	<u>\$152,014,347</u>

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2013

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$14,973,927	\$205,503	\$5,556,086	\$11,477,573	\$32,213,089
Receivables (Net):					
Taxes	5,379,751	3,609,326	535,939	535,939	10,060,955
Accounts	271,084	0	0	0	271,084
Interest	14,102	0	958	2,534	17,594
Intergovernmental	184,564	185,975	14,032	2,285,522	2,670,093
Interfund	309,720	0	0	0	309,720
Total Assets	21,133,148	4,000,804	6,107,015	14,301,568	45,542,535
Liabilities:					
Accounts Payable	364,034	23,943	564,377	332,909	1,285,263
Accrued Wages and Benefits	947,487	277,978	0	111,719	1,337,184
Compensated Absences	29,434	0	0	34,830	64,264
Accrued Interest Payable	0	0	5,521	0	5,521
Interfund Payable	0	0	0	309,720	309,720
Claims Payable	51,809	16,082	0	6,894	74,785
Bond Anticipation Notes Payable	0	0	1,250,000	0	1,250,000
Total Liabilities	1,392,764	318,003	1,819,898	796,072	4,326,737
Deferred Inflows of Resources:					
Property Taxes	1,092,241	3,609,326	0	0	4,701,567
Income Taxes	2,614,961	0	326,870	326,870	3,268,701
Grants and Other Taxes	172,298	185,975	14,032	1,080,286	1,452,591
Special Assessments	113,129	0	0	0	113,129
Unavailable Revenue	140,492	0	0	1,018,414	1,158,906
Investment Revenue	12,684	0	672	2,285	15,641
Total Deferred Inflows of Resources	4,145,805	3,795,301	341,574	2,427,855	10,710,535
Fund Balances:					
Restricted	0	0	3,945,543	11,208,941	15,154,484
Assigned	358,413	0	0	193,969	552,382
Unassigned	15,236,166	(112,500)	0	(325,269)	14,798,397
Total Fund Balances	15,594,579	(112,500)	3,945,543	11,077,641	30,505,263
Total Liabilities, Deferred Inflows and Fund Balances	\$21,133,148	\$4,000,804	\$6,107,015	\$14,301,568	\$45,542,535

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2013

Total Governmental Fund Balance	\$30,505,263
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets used in the operation of Governmental Funds	90,651,113
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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	\$3,268,701	
Delinquent Property Taxes	129,567	
Interest	15,641	
Intergovernmental	1,452,591	
Other Receivables	976,995	
		5,843,495

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

Internal Service Net Position	852,466
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In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(66,463)

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

Compensated Absences	(4,111,373)
----------------------	-------------

Deferred charges on refunding associated with long-term liabilities reported as deferred outflows are not reported in the funds.

291,663

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

(20,457,527)

Net Position of Governmental Activities

<u>\$103,508,637</u>

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, 2013

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$1,493,671	\$3,597,563	\$0	\$0	\$5,091,234
Income Taxes	20,246,470	0	2,542,716	2,542,716	25,331,902
Charges for Services	1,459,632	1,160,216	0	0	2,619,848
Investment Earnings	34,314	40	41,129	60,338	135,821
Intergovernmental	1,864,751	374,556	442,837	3,865,991	6,548,135
Special Assessments	44,002	0	0	232,141	276,143
Fines, Licenses & Permits	1,205,909	5,950	0	674,929	1,886,788
Other Revenues	492,326	53,147	66,031	60,398	671,902
Total Revenues	26,841,075	5,191,472	3,092,713	7,436,513	42,561,773
Expenditures:					
Current:					
General Government	6,839,419	0	0	458,144	7,297,563
Public Safety	10,071,946	5,359,490	0	10,345	15,441,781
Leisure Time Activities	2,416,016	0	0	0	2,416,016
Community Development	1,326,648	0	0	0	1,326,648
Basic Utility Service	451,823	0	0	0	451,823
Transportation and Street Repair	0	0	0	3,063,645	3,063,645
Public Health and Welfare	21,476	0	0	0	21,476
Capital Outlay	53,019	12,431	2,092,422	3,119,348	5,277,220
Debt Service:					
Principal	86,207	0	0	1,600,000	1,686,207
Interest and Other Charges	4,077	0	5,521	866,895	876,493
Total Expenditures	21,270,631	5,371,921	2,097,943	9,118,377	37,858,872
Excess of Revenues Over (Under) Expenditures	5,570,444	(180,449)	994,770	(1,681,864)	4,702,901
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	19,304	0	0	35,073	54,377
Transfers In	0	300,000	500,000	4,715,626	5,515,626
Transfers (Out)	(2,440,000)	0	(1,694,803)	(2,065,823)	(6,200,626)
Total Other Financing Sources (Uses)	(2,420,696)	300,000	(1,194,803)	2,684,876	(630,623)
Net Change in Fund Balance	3,149,748	119,551	(200,033)	1,003,012	4,072,278
Fund Balance - Beginning of Year	12,444,831	(232,051)	4,145,576	10,074,629	26,432,985
Fund Balance - End of Year	\$15,594,579	(\$112,500)	\$3,945,543	\$11,077,641	\$30,505,263

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, 2013

Net Change in Fund Balance - Total Governmental Funds \$4,072,278

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	\$4,541,384	
Depreciation Expense	(4,406,311)	
		135,073

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. (376,948)

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

Income Taxes	\$274,937	
Delinquent Property Taxes	(78,151)	
Interest	(9,167)	
Intergovernmental	(758,327)	
Other	606,851	
		36,143

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 position. 1,686,207

In the statement of activities interest expense is accrued when incurred;
whereas, in governmental funds an interest expenditure is reported
when due. 9,623

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	\$285,967	
Amortization of Bond Premium	46,423	
Amortization of Deferred Charge on Refunding	(30,803)	
		301,587

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

Change in Net Position - Internal Service Funds		565,396
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Change in Net Position of Governmental Activities		\$6,429,359
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See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Current Assets:				
Equity in Pooled Cash and Investments	\$5,090,856	\$3,457,871	\$219,971	\$643,358
Restricted Cash and Investments	1,021,404	0	0	0
Receivables (Net):				
Accounts	525,616	733,162	284,005	0
Interest	2,574	639	0	68
Inventory	185,497	0	0	11,683
Total Current Assets	6,825,947	4,191,672	503,976	655,109
Nondepreciable Capital Assets	999,580	1,002,655	0	507,000
Depreciable Capital Assets, Net	15,956,102	23,324,740	0	3,027,695
Total Noncurrent Assets	16,955,682	24,327,395	0	3,534,695
Total Assets	23,781,629	28,519,067	503,976	4,189,804
Deferred Outflows of Resources:				
Deferred Charge on Refunding	0	0	0	39,670
Total Deferred Outflows of Resources	0	0	0	39,670
Liabilities:				
Current Liabilities:				
Accounts Payable	152,910	169,165	179,867	13,961
Accrued Wages and Benefits	99,939	102,861	0	37,354
Compensated Absences	13,694	13,694	0	0
Accrued Interest Payable	3,028	4,858	0	2,555
Due To Other Governments	0	54,043	0	0
Other Liabilities	247,006	0	0	0
Claims Payable	6,051	6,939	0	3,821
Bond Anticipation Notes Payable	0	1,100,000	0	0
Long-Term Liabilities Due Within One Year	280,000	863,167	0	145,000
Total Current Liabilities	802,628	2,314,727	179,867	202,691
Long-Term Liabilities:				
Compensated Absences	190,622	191,762	0	77,839
Bonds, Notes & Loans Payable	894,245	2,665,171	0	1,008,884
Total Noncurrent Liabilities	1,084,867	2,856,933	0	1,086,723
Total Liabilities	1,887,495	5,171,660	179,867	1,289,414
Net Position:				
Net Investment in Capital Assets	15,781,437	19,699,057	0	2,420,481
Restricted for:				
Capital Projects	1,021,404	0	0	0
Unrestricted	5,091,293	3,648,350	324,109	519,579
Total Net Position	\$21,894,134	\$23,347,407	\$324,109	\$2,940,060

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$9,412,056	\$1,020,564
1,021,404	0
1,542,783	0
3,281	0
197,180	0
12,176,704	1,020,564
2,509,235	0
42,308,537	0
44,817,772	0
56,994,476	1,020,564
39,670	0
39,670	0
515,903	25,402
240,154	31,183
27,388	0
10,441	0
54,043	0
247,006	0
16,811	14,576
1,100,000	0
1,288,167	0
3,499,913	71,161
460,223	96,937
4,568,300	0
5,028,523	96,937
8,528,436	168,098
37,900,975	0
1,021,404	0
9,583,331	852,466
\$48,505,710	\$852,466

City of Fairfield, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2013

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Operating Revenues:				
Fines, Licenses & Permits	\$49,866	\$24,336	\$0	\$0
Charges for Services	4,616,356	5,709,002	2,119,641	1,871,477
Other Revenues	136,078	129,078	0	30,798
Total Operating Revenues	4,802,300	5,862,416	2,119,641	1,902,275
Operating Expenses:				
Personal Services	1,878,364	2,223,437	0	1,109,356
Contractual Services	1,174,949	1,018,245	2,140,007	506,140
Materials and Supplies	747,225	590,126	0	369,404
Depreciation	796,705	1,132,524	0	174,007
Total Operating Expenses	4,597,243	4,964,332	2,140,007	2,158,907
Operating Income (Loss)	205,057	898,084	(20,366)	(256,632)
Non-Operating Revenues (Expenses):				
Investment Earnings	8,231	71	0	1,244
Interest (Expense)	(40,045)	(175,183)	0	(18,269)
Gain (Loss) on Disposal of Capital Assets	11,123	0	0	0
Operating Grants	0	0	31,297	300
Total Non-Operating Revenues (Expenses)	(20,691)	(175,112)	31,297	(16,725)
Income (Loss) Before Contributions and Transfers	184,366	722,972	10,931	(273,357)
Capital Grants and Contributions	145,770	0	0	0
Transfers In	0	0	0	145,000
Change in Net Position	330,136	722,972	10,931	(128,357)
Net Position - Beginning of Year, Restated	21,563,998	22,624,435	313,178	3,068,417
Net Position - End of Year	\$21,894,134	\$23,347,407	\$324,109	\$2,940,060

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$74,202	\$0
14,316,476	4,822,429
295,954	10,846
14,686,632	4,833,275
5,211,157	536,538
4,839,341	3,933,058
1,706,755	338,284
2,103,236	0
13,860,489	4,807,880
826,143	25,395
9,546	1
(233,497)	0
11,123	0
31,597	0
(181,231)	1
644,912	25,396
145,770	0
145,000	540,000
935,682	565,396
47,570,028	287,070
\$48,505,710	\$852,466

City of Fairfield, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2013

	Business-Type Activities -Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,782,475	\$5,899,513	\$2,125,417	\$1,902,275
Cash Payments to Employees	(1,931,787)	(2,312,018)	0	(1,108,992)
Cash Payments to Suppliers	(1,810,811)	(1,619,485)	(2,136,725)	(872,319)
Net Cash Provided (Used) by Operating Activities	1,039,877	1,968,010	(11,308)	(79,036)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	0	0	31,297	300
Transfers from Other Funds	0	0	0	145,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	31,297	145,300
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(407,147)	(672,152)	0	(28,801)
Debt Proceeds	0	1,100,000	0	0
Debt Principal Payments	(270,000)	(2,129,350)	0	(145,000)
Debt Interest Payments	(45,563)	(174,631)	0	(21,010)
Proceeds Received from the Disposal of Capital Assets	11,123	0	0	0
Payments from Capital Grants for Capital Assets	145,770	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(565,817)	(1,876,133)	0	(194,811)
Cash Flows from Investing Activities:				
Earnings on Investments	8,549	322	0	1,239
Net Cash Provided (Used) by Cash Flows from Investing Activities	8,549	322	0	1,239
Net Increase (Decrease) in Cash and Cash Equivalents	482,609	92,199	19,989	(127,308)
Cash and Cash Equivalents - Beginning of Year	5,629,651	3,365,672	199,982	770,666
Cash and Cash Equivalents - End of Year	6,112,260	3,457,871	219,971	643,358
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	205,057	898,084	(20,366)	(256,632)
Adjustments:				
Depreciation	796,705	1,132,524	0	174,007
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(19,825)	37,097	5,776	0
(Increase) Decrease in Inventory	19,816	0	0	(3,568)
Increase (Decrease) in Deposit Liabilities	0	(9,220)	0	0
Increase (Decrease) in Payables	97,598	5,045	3,282	10,614
Increase (Decrease) in Accrued Liabilities	(59,474)	(95,520)	0	(3,457)
Net Cash Provided (Used) by Operating Activities	\$1,039,877	\$1,968,010	(\$11,308)	(\$79,036)

See accompanying notes to the basic financial statements.

<u>Total Business-Type Activities</u>	<u>Governmental Activities- Internal Service Funds</u>
\$14,709,680	\$4,833,275
(5,352,797)	(537,225)
(6,439,340)	(4,248,922)
<u>2,917,543</u>	<u>47,128</u>
31,597	0
<u>145,000</u>	<u>540,000</u>
<u>176,597</u>	<u>540,000</u>
(1,108,100)	0
1,100,000	0
(2,544,350)	0
(241,204)	0
11,123	0
<u>145,770</u>	<u>0</u>
(2,636,761)	0
<u>10,110</u>	<u>1</u>
<u>10,110</u>	<u>1</u>
467,489	587,129
<u>9,965,971</u>	<u>433,435</u>
<u>10,433,460</u>	<u>1,020,564</u>
826,143	25,395
2,103,236	0
23,048	0
16,248	0
(9,220)	0
116,539	22,420
(158,451)	(687)
<u>\$2,917,543</u>	<u>\$47,128</u>

City of Fairfield, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2013

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$287,438
Receivables (Net):	
Accounts	<u>143,753</u>
Total Assets	<u><u>431,191</u></u>
Liabilities:	
Accounts Payable	146,895
Undistributed Monies	<u>284,296</u>
Total Liabilities	<u><u>\$431,191</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The services provided and used of the internal service fund are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. The City's only fiduciary funds are agency funds.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred outflows/inflows associated with the operation of the City are included on the Statement of Net Position.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, liabilities and deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows and liabilities and deferred inflows are reported as fund balance. The following are the City's major governmental funds:

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

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

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

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

Proprietary Funds

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

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

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

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

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on self-insured health care operations (Employees' Benefits) and for the cost of maintaining the City's equipment and automotive fleet (Municipal Garage).

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants and fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position and the proprietary statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, grants and other taxes, special assessments, investment revenue, and unavailable revenues. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes revenue in lieu of taxes and accounts. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

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 position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2013 amounted to \$34,314 in the general fund, \$40 in the fire levy fund, \$41,129 in the street improvement fund and \$60,338 in other governmental funds.

Inventory

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City will

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

capitalize capital assets with a cost of \$1,000 or more, depending on the Asset Class.

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

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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*

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

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

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

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

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

Restricted Assets

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

Net Position

Net position represents the difference between assets, and deferred outflows of resources, and liabilities and deferred inflows of resources. Net Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$18,158,614 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

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

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

Gain/Loss on Refunding

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (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.

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

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, 2013, \$15,613,390 of the City's bank balance of \$23,363,480 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

Investments

As of December 31, 2013, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$499,010	2.48
Federal Home Loan Mortgage Corporation	4,244,313	2.50
Federal Farm Credit Bank	2,743,620	2.06
Federal National Mortgage Association	3,978,750	2.80
STAROhio	9,000,000	0.15
Total Fair Value	<u>\$20,465,693</u>	
Portfolio Weighted Average Maturity		1.47

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.

City of Fairfield, Ohio
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Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage, Federal Home Loan Mortgage Corporation and Federal Farm Credit Bank were rated AA+ by Standard and Poor’s and Aaa by Moody’s Investors Service. Investments in 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 2% in Federal Home Loan Bank, 19% in Federal National Mortgage Association, 11% in Federal Home Loan Mortgage, 11% in Federal Home Loan Mortgage Corporation, 13% in Federal Farm Credit Bank and 44% in STAROhio.

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

Note 4 – Receivables

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

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

Property Taxes

Property taxes include amounts levied against all real estate and public utility. Real property taxes (other than public utility) collected during 2013 were levied after October 1, 2012 on assessed values as of January 1, 2012, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

Real Property	\$916,662,950
Public Utility	<u>32,024,670</u>
Total Valuation	<u><u>\$948,687,620</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The City receives property taxes from Butler County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2013, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2013 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

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

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

Note 5 – Risk Management

Description

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Claim Liabilities

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

Unpaid Claim Liabilities

The following figures represent the changes in dental and worker's compensation claims liabilities for the City from January 1, 2012 to December 31, 2013:

<u>Dental</u>	
Claims Liability, 1/1/2012	\$14,940
Claims net of changes in estimates	225,084
Payments	<u>(235,695)</u>
Claims Liability, 12/31/2012	4,329
Claims net of changes in estimates	256,317
Payments	<u>(247,675)</u>
Claims Liability, 12/31/2013	<u>\$12,971</u>
 <u>Worker's Compensation</u>	
Claims Liability, 1/1/2013	\$0
Claims net of changes in estimates	115,775
Payments	<u>(22,574)</u>
Claims Liability, 12/31/2013	<u><u>\$93,201</u></u>

Note 6 – Capital Assets

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

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City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$17,798,769	\$236,600	\$376,948	\$17,658,421
Construction in Progress	15,408,497	3,138,001	12,067,845	6,478,653
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	47,406,718	105,935	0	47,512,653
Equipment	16,496,677	945,411	761,997	16,680,091
Infrastructure	79,502,167	12,183,282	0	91,685,449
Totals at Historical Cost	176,612,828	16,609,229	13,206,790	180,015,267
Less Accumulated Depreciation:				
Buildings and Improvements	19,616,884	1,414,636	0	21,031,520
Equipment	12,826,478	1,056,148	761,997	13,120,629
Infrastructure	53,276,478	1,935,527	0	55,212,005
Total Accumulated Depreciation	85,719,840	4,406,311	761,997	89,364,154
Governmental Activities Capital Assets, Net	\$90,892,988	\$12,202,918	\$12,444,793	\$90,651,113
	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	306,060	704,590	143,364	867,286
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	47,719,118	11,459	0	47,730,577
Equipment	4,309,835	399,833	149,639	4,560,029
Infrastructure	33,489,382	143,364	0	33,632,746
Totals at Historical Cost	87,466,344	1,259,246	293,003	88,432,587
Less Accumulated Depreciation:				
Buildings and Improvements	23,014,610	968,716	0	23,983,326
Equipment	2,966,230	293,496	141,857	3,117,869
Infrastructure	15,672,596	841,024	0	16,513,620
Total Accumulated Depreciation	41,653,436	2,103,236	141,857	43,614,815
Business-Type Activities Capital Assets, Net	\$45,812,908	(\$843,990)	\$151,146	\$44,817,772

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2013

Depreciation expense was charged to governmental functions as follows:

General Government	\$418,244
Public Safety	720,055
Leisure Time Activities	835,571
Community Development	11,116
Transportation	<u>2,421,325</u>
Total Depreciation Expense	<u>\$4,406,311</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

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

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

Note 8 – Notes Payable

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

City of Fairfield, Ohio
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		Beginning Balance	Issued	Retired	Ending Balance
Street Improvement Fund:					
Exit 39 Winton / Gilmore	0.75%	\$1,750,000	\$0	(\$1,750,000)	\$0
Various Purpose Series	1.00%	\$0	\$1,250,000	\$0	1,250,000
Sewer Utility Fund:					
Sewer Expansion	0.75%	1,300,000	0	(1,300,000)	0
Various Purpose Series	1.00%	0	1,100,000	0	1,100,000
Total Notes Payable		<u>\$3,050,000</u>	<u>\$2,350,000</u>	<u>(\$3,050,000)</u>	<u>\$2,350,000</u>

In 2013 the City issued a combined \$2.35 million in short-term bond anticipation notes for the purpose of financing the City's cost of construction improvements to the Winton Road Interchange Project, \$1.25 million, and for improvements to the City's wastewater system, \$1.1 million. The City's intent is to issue this bond anticipation note for a term of one year, which is the maximum allowed for short-term debt.

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

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:

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

		Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
<u>General Obligation Bonds</u>						
2012 Various Purpose Refunding	3.66%	1,455,000	0	(345,000)	1,110,000	350,000
2012 Community Arts Center	4.50%	4,660,000	0	(370,000)	4,290,000	380,000
2009 Various Purpose Refunding	3.23%	1,750,000	0	(270,000)	1,480,000	270,000
Premium/Discount		424,185	0	(46,423)	377,762	0
2009 Various Purpose Golf and Justice Center	3.56%	5,395,000	0	(235,000)	5,160,000	240,000
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%	1,160,000	0	(380,000)	780,000	385,000
Total General Obligation Bonds		22,074,185	0	(1,646,423)	20,427,762	1,625,000
Capital Lease Payable:						
Phone Equipment Lease	5.31%	115,972	0	(86,207)	29,765	29,765
Total Long-Term Liabilities		22,190,157	0	(1,732,630)	20,457,527	1,654,765
Compensated Absences		4,491,314	240,272	(459,012)	4,272,574	168,504
Total Governmental Activities		\$26,681,471	\$240,272	(\$2,191,642)	\$24,730,101	\$1,823,269
		Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities						
<u>Loans</u>						
OWDA Wastewater Improvement Bond	3.79-4.12%	\$4,357,688	\$0	(\$829,350)	\$3,528,338	\$863,167
<u>General Obligation Bonds</u>						
2012 Various Purpose Recreation - Refunding	3.66%	1,240,000	0	(145,000)	1,095,000	145,000
Premium on 2012 Refunding Bonds		66,245	0	(7,361)	58,884	0
2009 Various Purpose Water - Refunding	3.15%	1,425,000	0	(270,000)	1,155,000	280,000
Premium on Refunding Bonds		24,056	0	(4,811)	19,245	0
Total General Obligation Bonds		2,755,301	0	(427,172)	2,328,129	425,000
Compensated Absences		596,063	153,024	(261,476)	487,611	27,388
Total Business-Type Activities		\$7,709,052	\$153,024	(\$1,517,998)	\$6,344,078	\$1,315,555

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:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Year Ending December 31	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2014	\$2,050,000	\$880,549	\$863,167	\$133,552
2015	2,105,000	834,223	898,363	98,354
2016	2,170,000	774,038	934,996	61,722
2017	1,820,000	704,271	612,730	23,596
2018	1,565,000	634,727	175,970	5,923
2019-2023	6,510,000	2,379,215	43,112	817
2024-2028	4,490,000	1,166,497	0	0
2029-2030	1,590,000	125,883	0	0
Total	<u>\$22,300,000</u>	<u>\$7,499,403</u>	<u>\$3,528,338</u>	<u>\$323,964</u>

Note 10 – Defeasance of Bonds

Special Assessment Bonds

The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 2013 was \$60,641. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

Note 11 – Capital Lease

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

The City's lease obligation meets the criteria of a capital lease as defined by GASB62, and has 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
2014	30,096
Total Minimum Lease Payments	30,096
Less: Amount Representing Interest	(331)
Present Value of Minimum Lease Payments	<u>\$29,765</u>

Capital assets acquired under capital leases in accordance with GASB62 are as follows:

Equipment	\$378,346
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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

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.

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, 2013, 2012 and 2011 were \$1,727,849, \$1,763,709, and \$1,759,940 respectively. The full amount has been contributed for 2013, 2012 and 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. In 2013, there were no unpaid contractually required OPERS contributions to record in accrued wages and benefits.

Ohio Police and Fire Pension Fund

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

From Jan. 1, 2013 thru July 1, 2013, plan members were required to contribute 10% (as in prior years) of their annual covered salary. From July 2, 2013 thru Dec. 31, 2013, plan members were required to contribute 10.75% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

December 31, 2013, 2012 and 2011 were \$924,823 (police) and \$537,065 (fire), \$943,635 (police) and \$557,522 (fire), and \$940,289 (police) and \$553,454 (fire), respectively. In 2013, there were no unpaid contractually required OP&F contributions to record in accrued wages and benefits. The full amount has been contributed for 2013, 2012 and 2011. The City's unpaid contractually required OP&F contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 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 2013, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. 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 \$122,944 for 2013, \$486,615 for 2012; and \$466,614 for 2011. The full amount has been contributed for 2013, 2012 and 2011.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

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

Ohio Police and Fire Pension Fund

Plan Description

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employee contributions allocated to health care was 4.69% of covered payroll for January 1, 2013 through May 31, 2013, and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. 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, 2013 were \$210,422 (police) and \$100,155 (fire); for the year ending December 31, 2012 were \$318,100 (police) and \$152,277 (fire); and for the year ending December 31, 2011 were \$325,531 (police) and \$156,717 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2013, 2012 and 2011 were 100%.

Note 14 – Construction Commitments

The City had the following outstanding commitments at year end:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Project	Spent-to-date	Commitment Remaining
2013 Asphalt Paving and Resurfacing	\$0	\$481,463
Dystor Methane Gas Storage System	100,328	300,983
Route 4 & Gilmore Road Intersection Improvements	149,978	254,212
Seward Road Widening	1,219,671	170,666
Crestwood Lane Pressure Reducing Station	10,554	82,430
Wastewater Treatment Plant Software Upgrade	441,680	68,601
Total	\$1,922,211	\$1,358,355

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, 2013, 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 Activity

Interfund receivable and payables and transfers in and out for the year ended December 31, 2013, consisted of the following:

	Interfund		Transfers	
	Receivable	Payable	In	Out
Major Funds:				
General	\$309,720	\$0	\$0	\$2,440,000
Street Improvement	0	0	500,000	1,694,803
Fire Levy	0	0	300,000	0
Recreation Facilities	0	0	145,000	0
Internal Service	0	0	540,000	0
Other Governmental Funds	0	309,720	4,715,626	2,065,823
Totals	\$309,720	\$309,720	\$6,200,626	\$6,200,626

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

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

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

Note 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, 2010 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

Note 18 – Compliance and Accountability

Compliance

Noncompliance—Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed the total estimated resources. The funds listed below had appropriations which exceeded estimated resources at December 31, 2013.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Fire Levy
Flood Protection
State Issue I
Park Development

Accountability

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

Fire Levy	\$112,500
Flood Protection	7,689
State Issue I	285,624
Park Development	31,956

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

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:

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

Fund Balances	General	Fire Levy	Street Improvement	Other Governmental Funds	Total
Restricted for:					
Street Improvements	\$0	\$0	\$3,945,543	\$695,310	\$4,640,853
Probation Services	0	0	0	2,679,556	2,679,556
Court Computer	0	0	0	854,464	854,464
Special Projects	0	0	0	537,776	537,776
Mediation Services	0	0	0	464,816	464,816
Tax Recreation	0	0	0	245,985	245,985
Law Enforcement	0	0	0	306,907	306,907
Drug and Alcohol Treatment	0	0	0	147,977	147,977
Capital Improvements	0	0	0	2,959,840	2,959,840
TIF Monies	0	0	0	20,191	20,191
Debt Service	0	0	0	1,774,344	1,774,344
Other Purposes	0	0	0	521,775	521,775
Total Restricted	0	0	3,945,543	11,208,941	15,154,484
Assigned to:					
Debt Service	0	0	0	40,970	40,970
Downtown Development	0	0	0	152,999	152,999
Encumbrances	82,528	0	0	0	82,528
Budgetary Resources	275,885	0	0	0	275,885
Total Assigned	358,413	0	0	193,969	552,382
Unassigned (Deficit)	15,236,166	(112,500)	0	(325,269)	14,798,397
Total Fund Balance	<u>\$15,594,579</u>	<u>(\$112,500)</u>	<u>\$3,945,543</u>	<u>\$11,077,641</u>	<u>\$30,505,263</u>

Note 20 – Change in Accounting Principle

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

Note 21 – Restatement

In prior periods, the City had reported assets related to bond issuance costs in the Governmental and Business-Type Activities entity-wide financial statements and proprietary fund financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2013

	Governmental Activities	Business-Type Activities	Water Utility Fund	Recreation Facilities Fund
Net Position - December 31, 2012	\$97,351,999	\$47,603,790	\$21,576,142	\$3,090,035
Bond Issuance Costs	(272,721)	(33,762)	(12,144)	(21,618)
Restated Net Position - December 31, 2012	<u>\$97,079,278</u>	<u>\$47,570,028</u>	<u>\$21,563,998</u>	<u>\$3,068,417</u>

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$17,936,453	\$20,196,816	\$22,252,780	\$2,055,964
Licenses & Permits	156,900	156,900	247,945	91,045
Intergovernmental	1,254,800	1,254,800	1,879,583	624,783
Charges for Services	911,700	911,700	993,767	82,067
Court Costs & Fines	1,107,500	1,107,500	957,788	(149,712)
Special Assessments	15,000	15,000	26,539	11,539
Investment Earnings	75,000	75,000	54,717	(20,283)
Other Revenues	925,000	925,000	1,023,826	98,826
Total Revenues	22,382,353	24,642,716	27,436,945	2,794,229
Expenditures:				
Current:				
<u>General Government</u>				
City Council				
Personnel Related	219,555	229,055	224,461	4,594
Other	23,300	23,300	7,150	16,150
Total City Council	242,855	252,355	231,611	20,744
Mayor				
Personnel Related	11,372	11,372	11,278	94
Other	4,390	4,390	682	3,708
Total Mayor	15,762	15,762	11,960	3,802
Administration				
Personnel Related	492,294	504,973	499,203	5,770
Other	22,950	22,950	19,907	3,043
Total Administration	515,244	527,923	519,110	8,813
General Services				
Personnel Related	56,622	56,622	54,553	2,069
Other	3,298,069	3,694,694	2,489,420	1,205,274
Total General Services	3,354,691	3,751,316	2,543,973	1,207,343
Law				
Personnel Related	500	500	154	346
Other	504,050	504,050	502,138	1,912
Total Law	504,550	504,550	502,292	2,258
Human Resources				
Personnel Related	199,316	204,082	197,407	6,675
Other	53,940	59,583	55,187	4,396
Total Human Resources	253,256	263,665	252,594	11,071
Finance Administration & Accounting				
Personnel Related	590,405	604,552	593,628	10,924
Other	25,965	29,457	27,945	1,512
Total Finance Administration & Accounting	616,370	634,009	621,573	12,436
Income Tax				
Personnel Related	443,679	454,454	437,263	17,191
Other	84,941	79,448	72,378	7,070
Total Income Tax	528,620	533,902	509,641	24,261

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	489,142	489,142	452,936	36,206
Other	50,530	50,508	48,162	2,346
Total Information Technology	539,672	539,650	501,098	38,552
Municipal Court				
Personnel Related	1,377,277	1,410,901	1,257,210	153,691
Other	269,000	269,000	179,242	89,758
Total Municipal Court	1,646,277	1,679,901	1,436,452	243,449
Public Works Administration				
Personnel Related	151,360	157,291	155,756	1,535
Other	28,475	28,475	13,794	14,681
Total Public Works Administration	179,835	185,766	169,550	16,216
Construction Services				
Personnel Related	508,046	514,195	487,693	26,502
Other	118,662	113,162	79,688	33,474
Total Construction Services	626,708	627,357	567,381	59,976
Municipal Building				
Personnel Related	71,010	72,702	72,414	288
Other	170,191	171,391	144,776	26,615
Total Municipal Building	241,201	244,093	217,190	26,903
Total General Government	9,265,041	9,760,249	8,084,425	1,675,824
<u>Public Safety</u>				
Police				
Personnel Related	8,546,686	9,405,770	8,760,601	645,169
Other	685,107	704,972	650,424	54,548
Total Police	9,231,793	10,110,742	9,411,025	699,717
Justice Center				
Personnel Related	62,068	63,700	63,346	354
Other	827,625	831,989	784,013	47,976
Total Justice Center	889,693	895,689	847,359	48,330
Total Public Safety	10,121,486	11,006,431	10,258,384	748,047
<u>Community Development</u>				
Planning & Economic Development				
Personnel Related	562,040	576,239	569,440	6,799
Other	46,100	45,200	21,931	23,269
Total Planning & Economic Development	608,140	621,439	591,371	30,068
Building & Zoning Inspection				
Personnel Related	678,779	695,130	686,523	8,607
Other	89,650	89,650	67,346	22,304
Total Building & Zoning Inspection	768,429	784,780	753,869	30,911
Total Community Development	1,376,569	1,406,219	1,345,240	60,979

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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Leisure Time Activities</u>				
Parks & Recreation Administration				
Personnel Related	721,500	739,890	738,677	1,213
Other	125,607	130,107	118,887	11,220
Total Parks & Recreation Administration	847,107	869,997	857,564	12,433
Parks Maintenance Operations				
Personnel Related	591,978	591,978	559,916	32,062
Other	368,347	385,706	346,997	38,709
Total Parks Maintenance Operations	960,325	977,684	906,913	70,771
Marsh Park Fishing Lake				
Personnel Related	71,070	71,070	43,836	27,234
Other	54,450	54,450	39,100	15,350
Total Marsh Park Fishing Lake	125,520	125,520	82,936	42,584
Community Arts Center				
Personnel Related	223,821	226,830	212,360	14,470
Other	442,509	461,833	426,341	35,492
Total Community Arts Center	666,330	688,663	638,701	49,962
Total Leisure Time Activities	2,599,282	2,661,864	2,486,114	175,750
Capital Outlay	0	26,875	26,875	0
Total Expenditures	23,362,378	24,861,638	22,201,038	2,660,600
Excess of Revenues Over (Under) Expenditures	(980,025)	(218,922)	5,235,907	5,454,829
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	19,304	9,304
Transfers (Out)	(1,140,000)	(2,440,000)	(2,440,000)	0
Total Other Financing Sources (Uses)	(1,130,000)	(2,430,000)	(2,420,696)	9,304
Net Change in Fund Balance	(2,110,025)	(2,648,922)	2,815,211	5,464,133
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,615,323	11,615,323	11,615,323	0
Fund Balance End of Year	\$9,505,298	\$8,966,401	\$14,430,534	\$5,464,133

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, 2013

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,634,550	\$3,571,550	\$3,597,563	\$26,013
Licenses & Permits	6,000	6,000	5,950	(50)
Intergovernmental	383,500	383,500	374,556	(8,944)
Charges for Services	1,200,000	1,200,000	1,169,556	(30,444)
Investment Earnings	100	100	40	(60)
Other Revenues	4,000	4,000	53,146	49,146
Total Revenues	5,228,150	5,165,150	5,200,811	35,661
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	4,370,902	4,719,393	4,733,674	(14,281)
Other	563,810	582,310	542,139	40,171
Total Fire Suppression	4,934,712	5,301,703	5,275,813	25,890
Paramedic Prevention				
Other	353,241	309,662	241,538	68,124
Total Fire Suppression	353,241	309,662	241,538	68,124
Total Expenditures	5,287,953	5,611,365	5,517,351	94,014
Excess of Revenues Over (Under) Expenditures	(59,803)	(446,215)	(316,540)	129,675
Other Financing Sources (uses):				
Transfers In	150,000	150,000	300,000	150,000
Total Other Financing Sources (Uses)	150,000	150,000	300,000	150,000
Net Change in Fund Balance	90,197	(296,215)	(16,540)	279,675
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	171,654	171,654	171,654	0
Fund Balance End of Year	\$261,851	(\$124,561)	\$155,114	\$279,675

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2013

Note 1 – Budgetary Process

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

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

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

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

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

(Continued)

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2013

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	\$3,149,748	\$119,551
Revenue Accruals	595,870	9,339
Expenditure Accruals	(522,023)	(95,041)
Encumbrances	(408,384)	(50,389)
Budget Basis	<u>\$2,815,211</u>	<u>(\$16,540)</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUND

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

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

	Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,006,800	\$2,378,100	\$2,594,889	\$216,789
Intergovernmental	150,000	150,000	432,204	282,204
Investment Earnings	55,000	55,000	42,424	(12,576)
Other Revenues	50,000	50,000	76,665	26,665
Total Revenues	3,261,800	2,633,100	3,146,182	513,082
Expenditures:				
Capital Outlay	1,083,587	2,886,201	2,625,850	260,351
Total Expenditures	1,083,587	2,886,201	2,625,850	260,351
Excess of Revenues Over (Under) Expenditures	2,178,213	(253,101)	520,332	773,433
Other Financing Sources (uses):				
Transfers (Out)	(1,695,000)	(1,695,000)	(1,694,803)	197
Total Other Financing Sources (Uses)	(1,695,000)	(1,695,000)	(1,694,803)	197
Net Change in Fund Balance	483,213	(1,948,101)	(1,174,471)	773,630
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,782,505	5,782,505	5,782,505	0
Fund Balance End of Year	\$6,265,718	\$3,834,404	\$4,608,034	\$773,630

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$6,626,466	\$1,815,314	\$3,035,793	\$11,477,573
Receivables (Net):				
Taxes	0	0	535,939	535,939
Interest	1,867	0	667	2,534
Intergovernmental	981,484	1,018,414	285,624	2,285,522
Total Assets	7,609,817	2,833,728	3,858,023	14,301,568
Liabilities:				
Accounts Payable	185,191	0	147,718	332,909
Accrued Wages and Benefits	111,719	0	0	111,719
Compensated Absences	34,830	0	0	34,830
Interfund Payable	0	0	309,720	309,720
Claims Payable	6,894	0	0	6,894
Total Liabilities	338,634	0	457,438	796,072
Deferred Inflows of Resources:				
Income Taxes	0	0	326,870	326,870
Grants and Other Taxes	794,662	0	285,624	1,080,286
Unavailable Revenue	0	1,018,414	0	1,018,414
Investment Revenue	1,764	0	521	2,285
Total Deferred Inflows of Resources	796,426	1,018,414	613,015	2,427,855
Fund Balances:				
Restricted	6,474,757	1,774,344	2,959,840	11,208,941
Assigned	0	40,970	152,999	193,969
Unassigned	0	0	(325,269)	(325,269)
Total Fund Balances	6,474,757	1,815,314	2,787,570	11,077,641
Total Liabilities, Deferred Inflows and Fund Balances	\$7,609,817	\$2,833,728	\$3,858,023	\$14,301,568

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$0	\$2,542,716	\$2,542,716
Investment Earnings	10,706	36,797	12,835	60,338
Intergovernmental	2,353,217	0	1,512,774	3,865,991
Special Assessments	4,275	227,866	0	232,141
Fines, Licenses & Permits	674,929	0	0	674,929
Other Revenues	50,573	0	9,825	60,398
Total Revenues	3,093,700	264,663	4,078,150	7,436,513
Expenditures:				
Current:				
General Government	446,379	11,765	0	458,144
Public Safety	10,345	0	0	10,345
Transportation and Street Repair	3,063,645	0	0	3,063,645
Capital Outlay	89,959	0	3,029,389	3,119,348
Debt Service:				
Principal	0	1,600,000	0	1,600,000
Interest and Other Charges	0	866,895	0	866,895
Total Expenditures	3,610,328	2,478,660	3,029,389	9,118,377
Excess of Revenues Over (Under) Expenditures	(516,628)	(2,213,997)	1,048,761	(1,681,864)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	35,073	35,073
Transfers In	850,000	3,115,626	750,000	4,715,626
Transfers (Out)	0	(645,000)	(1,420,823)	(2,065,823)
Total Other Financing Sources (Uses)	850,000	2,470,626	(635,750)	2,684,876
Net Change in Fund Balance	333,372	256,629	413,011	1,003,012
Fund Balance - Beginning of Year	6,141,385	1,558,685	2,374,559	10,074,629
Fund Balance - End of Year	\$6,474,757	\$1,815,314	\$2,787,570	\$11,077,641

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, 2013

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$756,696	\$45,980	\$249,749	\$245,985	\$128,322
Receivables (Net):					
Interest	0	0	0	0	0
Intergovernmental	743,134	60,254	0	0	0
Total Assets	<u>1,499,830</u>	<u>106,234</u>	<u>249,749</u>	<u>245,985</u>	<u>128,322</u>
Liabilities:					
Accounts Payable	159,808	0	0	0	2,083
Accrued Wages and Benefits	67,453	8,697	0	0	0
Compensated Absences	21,942	4,877	0	0	0
Claims Payable	5,862	0	0	0	0
Total Liabilities	<u>255,065</u>	<u>13,574</u>	<u>0</u>	<u>0</u>	<u>2,083</u>
Deferred Inflows of Resources:					
Grants and Other Taxes	593,957	48,158	0	0	0
Investment Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	<u>593,957</u>	<u>48,158</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Restricted	<u>650,808</u>	<u>44,502</u>	<u>249,749</u>	<u>245,985</u>	<u>126,239</u>
Total Fund Balances	<u>650,808</u>	<u>44,502</u>	<u>249,749</u>	<u>245,985</u>	<u>126,239</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$1,499,830</u>	<u>\$106,234</u>	<u>\$249,749</u>	<u>\$245,985</u>	<u>\$128,322</u>

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$119,308	\$148,780	\$147,977	\$35,426	\$2,701,351	\$864,914	\$547,504
0	0	0	0	1,867	0	0
163,389	0	0	14,707	0	0	0
<u>282,697</u>	<u>148,780</u>	<u>147,977</u>	<u>50,133</u>	<u>2,703,218</u>	<u>864,914</u>	<u>547,504</u>
0	0	0	3,538	2,046	10,450	7,266
14,287	0	0	0	18,983	0	2,299
8,011	0	0	0	0	0	0
0	0	0	0	869	0	163
<u>22,298</u>	<u>0</u>	<u>0</u>	<u>3,538</u>	<u>21,898</u>	<u>10,450</u>	<u>9,728</u>
137,840	0	0	14,707	0	0	0
0	0	0	0	1,764	0	0
<u>137,840</u>	<u>0</u>	<u>0</u>	<u>14,707</u>	<u>1,764</u>	<u>0</u>	<u>0</u>
<u>122,559</u>	<u>148,780</u>	<u>147,977</u>	<u>31,888</u>	<u>2,679,556</u>	<u>854,464</u>	<u>537,776</u>
<u>122,559</u>	<u>148,780</u>	<u>147,977</u>	<u>31,888</u>	<u>2,679,556</u>	<u>854,464</u>	<u>537,776</u>
<u>\$282,697</u>	<u>\$148,780</u>	<u>\$147,977</u>	<u>\$50,133</u>	<u>\$2,703,218</u>	<u>\$864,914</u>	<u>\$547,504</u>

Continued

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$464,816	\$20,191	\$149,467	\$6,626,466
Receivables (Net):				
Interest	0	0	0	1,867
Intergovernmental	0	0	0	981,484
Total Assets	<u>464,816</u>	<u>20,191</u>	<u>149,467</u>	<u>7,609,817</u>
Liabilities:				
Accounts Payable	0	0	0	185,191
Accrued Wages and Benefits	0	0	0	111,719
Compensated Absences	0	0	0	34,830
Claims Payable	0	0	0	6,894
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>338,634</u>
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	794,662
Investment Revenue	0	0	0	1,764
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>796,426</u>
Fund Balances:				
Restricted	<u>464,816</u>	<u>20,191</u>	<u>149,467</u>	<u>6,474,757</u>
Total Fund Balances	<u>464,816</u>	<u>20,191</u>	<u>149,467</u>	<u>6,474,757</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$464,816</u>	<u>\$20,191</u>	<u>\$149,467</u>	<u>\$7,609,817</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, 2013

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Investment Earnings	\$0	\$0	\$59	\$20	\$0
Intergovernmental	1,835,584	148,634	40,000	0	0
Special Assessments	0	0	0	0	0
Fines, Licenses & Permits	0	0	0	1,685	13,842
Other Revenues	47,438	0	0	0	0
Total Revenues	1,883,022	148,634	40,059	1,705	13,842
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	4,547
Transportation and Street Repair	2,621,069	145,839	0	0	0
Capital Outlay	1,985	0	31,612	8,858	0
Total Expenditures	2,623,054	145,839	31,612	8,858	4,547
Excess of Revenues Over (Under) Expenditures	(740,032)	2,795	8,447	(7,153)	9,295
Other Financing Sources (Uses):					
Transfers In	850,000	0	0	0	0
Total Other Financing Sources (Uses)	850,000	0	0	0	0
Net Change in Fund Balance	109,968	2,795	8,447	(7,153)	9,295
Fund Balance - Beginning of Year	540,840	41,707	241,302	253,138	116,944
Fund Balance - End of Year	\$650,808	\$44,502	\$249,749	\$245,985	\$126,239

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$0	\$39	\$39	\$0	\$10,296	\$136	\$78
327,964	0	0	1,035	0	0	0
0	0	0	0	0	0	0
0	9,215	16,965	0	417,458	88,883	54,897
0	0	0	0	2,630	0	505
327,964	9,254	17,004	1,035	430,384	89,019	55,480
0	0	9,357	0	317,247	50,695	69,080
0	1,500	0	4,298	0	0	0
296,737	0	0	0	0	0	0
0	0	0	0	0	14,179	33,325
296,737	1,500	9,357	4,298	317,247	64,874	102,405
31,227	7,754	7,647	(3,263)	113,137	24,145	(46,925)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
31,227	7,754	7,647	(3,263)	113,137	24,145	(46,925)
91,332	141,026	140,330	35,151	2,566,419	830,319	584,701
\$122,559	\$148,780	\$147,977	\$31,888	\$2,679,556	\$854,464	\$537,776
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, 2013

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Total Nonmajor Special Revenue Funds
Revenues:				
Investment Earnings	\$39	\$0	\$0	\$10,706
Intergovernmental	0	0	0	2,353,217
Special Assessments	0	4,275	0	4,275
Fines, Licenses & Permits	37,870	0	34,114	674,929
Other Revenues	0	0	0	50,573
Total Revenues	37,909	4,275	34,114	3,093,700
Expenditures:				
Current:				
General Government	0	0	0	446,379
Public Safety	0	0	0	10,345
Transportation and Street Repair	0	0	0	3,063,645
Capital Outlay	0	0	0	89,959
Total Expenditures	0	0	0	3,610,328
Excess of Revenues Over (Under) Expenditures	37,909	4,275	34,114	(516,628)
Other Financing Sources (Uses):				
Transfers In	0	0	0	850,000
Total Other Financing Sources (Uses)	0	0	0	850,000
Net Change in Fund Balance	37,909	4,275	34,114	333,372
Fund Balance - Beginning of Year	426,907	15,916	115,353	6,141,385
Fund Balance - End of Year	\$464,816	\$20,191	\$149,467	\$6,474,757

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, 2013

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,902,500	\$1,850,000	\$1,830,535	(\$19,465)
Other Revenues	7,500	7,500	47,438	39,938
Total Revenues	1,910,000	1,857,500	1,877,973	20,473
Expenditures:				
Transportation and Street Repair				
Personnel Related	1,471,981	1,488,371	1,429,987	58,384
Other	1,228,452	1,260,482	1,238,604	21,878
Total Expenditures	2,700,433	2,748,853	2,668,591	80,262
Excess of Revenues Over (Under) Expenditures	(790,433)	(891,353)	(790,618)	100,735
Other Financing Sources (uses):				
Transfers In	850,000	850,000	850,000	0
Total Other Financing Sources (Uses)	850,000	850,000	850,000	0
Net Change in Fund Balance	59,567	(41,353)	59,382	100,735
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	559,654	559,654	559,654	0
Fund Balance End of Year	\$619,221	\$518,301	\$619,036	\$100,735

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, 2013

	State Highway Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$152,175	\$153,000	\$148,224	(\$4,776)
Total Revenues	152,175	153,000	148,224	(4,776)
Expenditures:				
Transportation and Street Repair Personnel Related	152,175	152,175	143,183	8,992
Total Expenditures	152,175	152,175	143,183	8,992
Net Change in Fund Balance	0	825	5,041	4,216
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	40,939	40,939	40,939	0
Fund Balance End of Year	\$40,939	\$41,764	\$45,980	\$4,216

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, 2013

	County Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$100,000	\$100,000	\$40,000	(\$60,000)
Investment Earnings	100	100	59	(41)
Total Revenues	100,100	100,100	40,059	(60,041)
Expenditures:				
Capital Outlay	38,850	78,850	62,325	16,525
Total Expenditures	38,850	78,850	62,325	16,525
Net Change in Fund Balance	61,250	21,250	(22,266)	(43,516)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	259,502	259,502	259,502	0
Fund Balance End of Year	\$320,752	\$280,752	\$237,236	(\$43,516)

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, 2013

	Tax Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Licenses & Permits	\$2,100	\$2,100	\$1,685	(\$415)
Investment Earnings	50	50	20	(30)
Total Revenues	2,150	2,150	1,705	(445)
Expenditures:				
Capital Outlay	0	17,928	17,793	135
Total Expenditures	0	17,928	17,793	135
Net Change in Fund Balance	2,150	(15,778)	(16,088)	(310)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	253,138	253,138	253,138	0
Fund Balance End of Year	\$255,288	\$237,360	\$237,050	(\$310)

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$1,000	\$1,000	\$14,971	\$13,971
Total Revenues	1,000	1,000	14,971	13,971
Expenditures:				
Public Safety				
Other	20,000	21,130	8,676	12,454
Total Expenditures	20,000	21,130	8,676	12,454
Net Change in Fund Balance	(19,000)	(20,130)	6,295	26,425
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	116,944	116,944	116,944	0
Fund Balance End of Year	\$97,944	\$96,814	\$123,239	\$26,425

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, 2013

	Municipal Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$330,000	\$330,000	\$327,003	(\$2,997)
Total Revenues	330,000	330,000	327,003	(2,997)
Expenditures:				
Transportation and Street Repair Personnel Related	329,713	329,713	291,590	38,123
Total Expenditures	329,713	329,713	291,590	38,123
Net Change in Fund Balance	287	287	35,413	35,126
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	83,895	83,895	83,895	0
Fund Balance End of Year	\$84,182	\$84,182	\$119,308	\$35,126

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, 2013

	Law Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$6,500	\$6,500	\$9,215	\$2,715
Investment Earnings	60	30	39	9
Total Revenues	6,560	6,530	9,254	2,724
Expenditures:				
Public Safety				
Other	27,500	27,500	11,685	15,815
Total Expenditures	27,500	27,500	11,685	15,815
Net Change in Fund Balance	(20,940)	(20,970)	(2,431)	18,539
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	141,026	141,026	141,026	0
Fund Balance End of Year	\$120,086	\$120,056	\$138,595	\$18,539

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, 2013

	Drug and Alcohol Treatment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$12,000	\$12,000	\$16,965	\$4,965
Investment Earnings	60	30	39	9
Total Revenues	12,060	12,030	17,004	4,974
Expenditures:				
General Government				
Other	30,000	30,000	9,357	20,643
Total Expenditures	30,000	30,000	9,357	20,643
Net Change in Fund Balance	(17,940)	(17,970)	7,647	25,617
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	140,330	140,330	140,330	0
Fund Balance End of Year	\$122,390	\$122,360	\$147,977	\$25,617

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, 2013

	Local Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$1,035	\$1,035
Total Revenues	\$0	\$0	\$1,035	\$1,035
Expenditures:				
Public Safety				
Other	0	6,687	4,298	2,389
Total Expenditures	0	6,687	4,298	2,389
Net Change in Fund Balance	0	(6,687)	(3,263)	3,424
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,151	35,151	35,151	0
Fund Balance End of Year	\$35,151	\$28,464	\$31,888	\$3,424

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, 2013

	Probation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$20,000	\$20,000	\$0	(\$20,000)
Court Costs & Fines	487,500	450,000	417,458	(32,542)
Investment Earnings	6,000	6,000	11,504	5,504
Other Revenues	0	0	2,630	2,630
Total Revenues	513,500	476,000	431,592	(44,408)
Expenditures:				
General Government				
Personnel Related	293,214	300,011	291,278	8,733
Other	41,610	41,475	25,307	16,168
Total Expenditures	334,824	341,486	316,585	24,901
Net Change in Fund Balance	178,676	134,514	115,007	(19,507)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,586,824	2,586,824	2,586,824	0
Fund Balance End of Year	<u>\$2,765,500</u>	<u>\$2,721,338</u>	<u>\$2,701,831</u>	<u>(\$19,507)</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, 2013

	Court Computer Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$100,150	\$80,000	\$88,883	\$8,883
Investment Earnings	100	100	136	36
Total Revenues	100,250	80,100	89,019	8,919
Expenditures:				
General Government				
Other	65,000	65,000	54,424	10,576
Total Expenditures	65,000	65,000	54,424	10,576
Net Change in Fund Balance	35,250	15,100	34,595	19,495
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	830,319	830,319	830,319	0
Fund Balance End of Year	\$865,569	\$845,419	\$864,914	\$19,495

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, 2013

	Special Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$65,125	\$55,000	\$54,897	(\$103)
Investment Earnings	50	50	78	28
Other Revenues	0	0	505	505
Total Revenues	65,175	55,050	55,480	430
Expenditures:				
General Government				
Personnel Related	62,367	62,367	56,323	6,044
Other	19,000	52,325	46,193	6,132
Total Expenditures	81,367	114,692	102,516	12,176
Net Change in Fund Balance	(16,192)	(59,642)	(47,036)	12,606
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	587,275	587,275	587,275	0
Fund Balance End of Year	\$571,083	\$527,633	\$540,239	\$12,606

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, 2013

	Mediation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$52,045	\$48,000	\$37,870	(\$10,130)
Investment Earnings	30	30	39	9
Total Revenues	52,075	48,030	37,909	(10,121)
Expenditures:				
General Government				
Other	5,000	5,000	0	5,000
Total Expenditures	5,000	5,000	0	5,000
Net Change in Fund Balance	47,075	43,030	37,909	(5,121)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	426,907	426,907	426,907	0
Fund Balance End of Year	\$473,982	\$469,937	\$464,816	(\$5,121)

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, 2013

	Tax Increment Equivalent Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$85,000	\$85,200	\$4,275	(\$80,925)
Total Revenues	85,000	85,200	4,275	(80,925)
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	200	4,275	4,075
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,916	15,916	15,916	0
Fund Balance End of Year	\$15,916	\$16,116	\$20,191	\$4,075

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, 2013

	Indigent Driver Interlock Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Court Costs & Fines	\$30,000	\$30,000	\$34,114	\$4,114
Total Revenues	30,000	30,000	34,114	4,114
Expenditures:				
General Government				
Other	6,000	6,000	0	6,000
Total Expenditures	6,000	6,000	0	6,000
Net Change in Fund Balance	24,000	24,000	34,114	10,114
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	115,353	115,353	115,353	0
Fund Balance End of Year	\$139,353	\$139,353	\$149,467	\$10,114

NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$40,970	\$1,774,344	\$1,815,314
Receivables (Net):			
Intergovernmental	0	1,018,414	1,018,414
Total Assets	40,970	2,792,758	2,833,728
Deferred Inflows of Resources:			
Unavailable Revenue	0	1,018,414	1,018,414
Total Deferred Inflows of Resources	0	1,018,414	1,018,414
Fund Balances:			
Restricted	0	1,774,344	1,774,344
Assigned	40,970	0	40,970
Total Fund Balances	40,970	1,774,344	1,815,314
Total Liabilities, Deferred Inflows and Fund Balances	\$40,970	\$2,792,758	\$2,833,728

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, 2013

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$36,797	\$36,797
Special Assessments	0	227,866	227,866
Total Revenues	0	264,663	264,663
Expenditures:			
Current:			
General Government	10,865	900	11,765
Debt Service:			
Principal	1,600,000	0	1,600,000
Interest and Other Charges	864,043	2,852	866,895
Total Expenditures	2,474,908	3,752	2,478,660
Excess of Revenues Over (Under) Expenditures	(2,474,908)	260,911	(2,213,997)
Other Financing Sources (Uses):			
Transfers In	3,115,626	0	3,115,626
Transfers (Out)	(645,000)	0	(645,000)
Total Other Financing Sources (Uses)	2,470,626	0	2,470,626
Net Change in Fund Balance	(4,282)	260,911	256,629
Fund Balance - Beginning of Year	45,252	1,513,433	1,558,685
Fund Balance - End of Year	\$40,970	\$1,774,344	\$1,815,314

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, 2013

	General Bond Retirement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Other	7,000	11,200	10,864	336
Debt Service:				
Principal Retirement	2,245,000	2,245,000	2,245,000	0
Interest and Fiscal Charges	878,191	873,991	864,044	9,947
Total Expenditures	3,130,191	3,130,191	3,119,908	10,283
Excess of Revenues Over (Under) Expenditures	(3,130,191)	(3,130,191)	(3,119,908)	10,283
Other Financing Sources (uses):				
Transfers In	3,175,000	3,120,000	3,115,626	(4,374)
Total Other Financing Sources (Uses)	3,175,000	3,120,000	3,115,626	(4,374)
Net Change in Fund Balance	44,809	(10,191)	(4,282)	5,909
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	45,252	45,252	45,252	0
Fund Balance End of Year	\$90,061	\$35,061	\$40,970	\$5,909

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, 2013

	Special Assessment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$227,650	\$230,000	\$340,975	\$110,975
Investment Earnings	4,000	4,000	36,546	32,546
Total Revenues	231,650	234,000	377,521	143,521
Expenditures:				
Current:				
General Government				
Other	1,650	1,650	900	750
Debt Service:				
Principal Retirement	230,000	227,145	113,105	114,040
Interest and Fiscal Charges	0	2,855	2,852	3
Total Expenditures	231,650	231,650	116,857	114,793
Net Change in Fund Balance	0	2,350	260,664	258,314
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,513,680	1,513,680	1,513,680	0
Fund Balance End of Year	\$1,513,680	\$1,516,030	\$1,774,344	\$258,314

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

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

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Capital Improvement	Flood Protection	State Issue I	Downtown Development
Assets:				
Equity in Pooled Cash and Investments	\$2,882,794	\$0	\$0	\$152,999
Receivables (Net):				
Taxes	535,939	0	0	0
Interest	667	0	0	0
Intergovernmental	0	0	285,624	0
Total Assets	<u>3,419,400</u>	<u>0</u>	<u>285,624</u>	<u>152,999</u>
Liabilities:				
Accounts Payable	132,169	0	0	0
Interfund Payable	0	7,689	285,624	0
Total Liabilities	<u>132,169</u>	<u>7,689</u>	<u>285,624</u>	<u>0</u>
Deferred Inflows of Resources:				
Income Taxes	326,870	0	0	0
Grants and Other Taxes	0	0	285,624	0
Investment Revenue	521	0	0	0
Total Deferred Inflows of Resources	<u>327,391</u>	<u>0</u>	<u>285,624</u>	<u>0</u>
Fund Balances:				
Restricted	2,959,840	0	0	0
Assigned	0	0	0	152,999
Unassigned	0	(7,689)	(285,624)	0
Total Fund Balances	<u>2,959,840</u>	<u>(7,689)</u>	<u>(285,624)</u>	<u>152,999</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$3,419,400</u>	<u>\$0</u>	<u>\$285,624</u>	<u>\$152,999</u>

Park Development	Total Nonmajor Capital Projects Funds
\$0	\$3,035,793
0	535,939
0	667
0	285,624
0	3,858,023
15,549	147,718
16,407	309,720
31,956	457,438
0	326,870
0	285,624
0	521
0	613,015
0	2,959,840
0	152,999
(31,956)	(325,269)
(31,956)	2,787,570
\$0	\$3,858,023

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, 2013

	Capital Improvement	Flood Protection	State Issue I	Downtown Development
Revenues:				
Income Taxes	\$2,542,716	\$0	\$0	\$0
Investment Earnings	12,835	0	0	0
Intergovernmental	63,862	362,229	1,086,683	0
Other Revenues	9,025	800	0	0
Total Revenues	2,628,438	363,029	1,086,683	0
Expenditures:				
Capital Outlay	1,971,419	261,673	670,087	11,660
Total Expenditures	1,971,419	261,673	670,087	11,660
Excess of Revenues Over (Under) Expenditures	657,019	101,356	416,596	(11,660)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	35,073	0	0	0
Transfers In	750,000	0	0	0
Transfers (Out)	(1,420,823)	0	0	0
Total Other Financing Sources (Uses)	(635,750)	0	0	0
Net Change in Fund Balance	21,269	101,356	416,596	(11,660)
Fund Balance - Beginning of Year	2,938,571	(109,045)	(702,220)	164,659
Fund Balance - End of Year	\$2,959,840	(\$7,689)	(\$285,624)	\$152,999

Park Development	Total Nonmajor Capital Projects Funds
\$0	\$2,542,716
0	12,835
0	1,512,774
0	9,825
0	4,078,150
114,550	3,029,389
114,550	3,029,389
(114,550)	1,048,761
0	35,073
0	750,000
0	(1,420,823)
0	(635,750)
(114,550)	413,011
82,594	2,374,559
(\$31,956)	\$2,787,570

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, 2013

	Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$2,970,800	\$2,378,100	\$2,594,889	\$216,789
Intergovernmental	0	0	57,730	57,730
Investment Earnings	12,000	12,000	14,827	2,827
Other Revenues	1,000	1,000	15,157	14,157
Total Revenues	2,983,800	2,391,100	2,682,603	291,503
Expenditures:				
Capital Outlay	732,705	3,066,380	2,611,579	454,801
Total Expenditures	732,705	3,066,380	2,611,579	454,801
Excess of Revenues Over (Under) Expenditures	2,251,095	(675,280)	71,024	746,304
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	25,000	25,000	35,073	10,073
Transfers In	0	0	750,000	750,000
Transfers (Out)	(1,421,000)	(1,421,000)	(1,420,823)	177
Total Other Financing Sources (Uses)	(1,396,000)	(1,396,000)	(635,750)	760,250
Net Change in Fund Balance	855,095	(2,071,280)	(564,726)	1,506,554
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,938,680	2,938,680	2,938,680	0
Fund Balance End of Year	\$3,793,775	\$867,400	\$2,373,954	\$1,506,554

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, 2013

	Flood Protection Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$362,229	\$362,229
Other Revenues	0	0	800	800
Total Revenues	0	0	363,029	363,029
Expenditures:				
Capital Outlay	1,477,882	261,673	261,673	0
Total Expenditures	1,477,882	261,673	261,673	0
Net Change in Fund Balance	(1,477,882)	(261,673)	101,356	363,029
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(109,045)	(109,045)	(109,045)	0
Fund Balance End of Year	(\$1,586,927)	(\$370,718)	(\$7,689)	\$363,029

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, 2013

	State Issue I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$50,000	\$50,000	\$1,086,683	\$1,036,683
Total Revenues	50,000	50,000	1,086,683	1,036,683
Expenditures:				
Capital Outlay	464,638	854,972	741,184	113,788
Total Expenditures	464,638	854,972	741,184	113,788
Net Change in Fund Balance	(414,638)	(804,972)	345,499	1,150,471
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(702,220)	(702,220)	(702,220)	0
Fund Balance End of Year	(\$1,116,858)	(\$1,507,192)	(\$356,721)	\$1,150,471

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, 2013

	Downtown Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,000	\$0	\$0	\$0
Total Revenues	1,000	0	0	0
Expenditures:				
Capital Outlay	1,000	12,660	11,660	1,000
Total Expenditures	1,000	12,660	11,660	1,000
Net Change in Fund Balance	0	(12,660)	(11,660)	1,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	164,659	164,659	164,659	0
Fund Balance End of Year	\$164,659	\$151,999	\$152,999	\$1,000

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

	Park Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	89,420	125,592	118,275	7,317
Total Expenditures	89,420	125,592	118,275	7,317
Net Change in Fund Balance	(89,420)	(125,592)	(118,275)	7,317
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	82,594	82,594	82,594	0
Fund Balance End of Year	<u>(\$6,826)</u>	<u>(\$42,998)</u>	<u>(\$35,681)</u>	<u>\$7,317</u>

OTHER GENERAL FUND

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

Fund Description

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

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2013

	Compensated Leave Fund (1)			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$200	\$100	\$156	\$56
Total Revenues	200	100	156	56
Total Expenditures	0	0	0	0
Net Change in Fund Balance	200	100	156	56
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	468,318	468,318	468,318	0
Fund Balance End of Year	<u>\$468,518</u>	<u>\$468,418</u>	<u>\$468,474</u>	<u>\$56</u>

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

NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

Fund Descriptions

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

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

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

City of Fairfield, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	<u>\$878,930</u>	<u>\$141,634</u>	<u>\$1,020,564</u>
Total Assets	<u>878,930</u>	<u>141,634</u>	<u>1,020,564</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	1,563	23,839	25,402
Accrued Wages and Benefits	0	31,183	31,183
Claims Payable	<u>12,971</u>	<u>1,605</u>	<u>14,576</u>
Total Current Liabilities	<u>14,534</u>	<u>56,627</u>	<u>71,161</u>
Long-Term Liabilities:			
Compensated Absences	<u>0</u>	<u>96,937</u>	<u>96,937</u>
Total Liabilities	<u>14,534</u>	<u>153,564</u>	<u>168,098</u>
Net Position:			
Unrestricted	<u>864,396</u>	<u>(11,930)</u>	<u>852,466</u>
Total Net Position	<u>\$864,396</u>	<u>(\$11,930)</u>	<u>\$852,466</u>

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2013

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$4,123,502	\$698,927	\$4,822,429
Other Revenues	5,000	5,846	10,846
Total Operating Revenues	4,128,502	704,773	4,833,275
Operating Expenses:			
Personal Services	0	536,538	536,538
Contractual Services	3,921,374	11,684	3,933,058
Materials and Supplies	5,775	332,509	338,284
Total Operating Expenses	3,927,149	880,731	4,807,880
Operating Income (Loss)	201,353	(175,958)	25,395
Non-Operating Revenues (Expenses):			
Investment Earnings	1	0	1
Total Non-Operating Revenues (Expenses)	1	0	1
Income (Loss) Before Transfers	201,354	(175,958)	25,396
Transfers In	400,000	140,000	540,000
Change in Net Position	601,354	(35,958)	565,396
Net Position - Beginning of Year	263,042	24,028	287,070
Net Position - End of Year	\$864,396	(\$11,930)	\$852,466

City of Fairfield, Ohio
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2013

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$4,128,502	\$704,773	\$4,833,275
Cash Payments to Employees	0	(537,225)	(537,225)
Cash Payments to Suppliers	(3,917,784)	(331,138)	(4,248,922)
Net Cash Provided (Used) by Operating Activities	210,718	(163,590)	47,128
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	400,000	140,000	540,000
Net Cash Provided (Used) by Noncapital Financing Activities	400,000	140,000	540,000
Cash Flows from Investing Activities:			
Earnings on Investments	1	0	1
Net Cash Provided (Used) by Cash Flows from Investing Activities	1	0	1
Net Increase (Decrease) in Cash and Cash Equivalents	610,719	(23,590)	587,129
Cash and Cash Equivalents - Beginning of Year	268,211	165,224	433,435
Cash and Cash Equivalents - End of Year	878,930	141,634	1,020,564
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	201,353	(175,958)	25,395
Changes in Assets & Liabilities:			
Increase (Decrease) in Payables	9,365	13,055	22,420
Increase (Decrease) in Accrued Liabilities	0	(687)	(687)
Net Cash Provided (Used) by Operating Activities	\$210,718	(\$163,590)	\$47,128

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2013

	Municipal Court		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$103,248	\$828,254	\$830,286
Total Assets	103,248	828,254	830,286
Liabilities:			
Undistributed Monies	103,248	828,254	830,286
Total Liabilities	\$103,248	\$828,254	\$830,286
	Warranty Bonds		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$10,804	\$3	\$70
Total Assets	10,804	3	70
Liabilities:			
Undistributed Monies	10,804	3	70
Total Liabilities	\$10,804	\$3	\$70
	Joint Economic Development District		
	Beginning Balance	Additions	Deductions
Assets:			
Equity in Pooled Cash and Investments	\$184,658	\$1,626,649	\$1,635,822
Receivables (Net):			
Accounts	119,242	143,753	119,242
Total Assets	303,900	1,770,402	1,755,064
Liabilities:			
Accounts Payable	0	146,895	0
Undistributed Monies	303,900	1,623,507	1,755,064
Total Liabilities	\$303,900	\$1,770,402	\$1,755,064

Continued

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2013

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$298,710	\$2,454,906	\$2,466,178	\$287,438
Receivables (Net):				
Accounts	119,242	143,753	119,242	143,753
Total Assets	417,952	2,598,659	2,585,420	431,191
Liabilities:				
Accounts Payable	0	146,895	0	146,895
Undistributed Monies	417,952	2,451,764	2,585,420	284,296
Total Liabilities	\$417,952	\$2,598,659	\$2,585,420	\$431,191



Statistical Section

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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

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

Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$55,787,920	\$54,410,081	\$57,602,463	\$60,813,629	\$61,855,826	\$65,966,427	\$66,371,105	\$64,296,950	\$67,275,297	\$69,235,249
Restricted	19,587,895	11,788,385	11,245,048	10,331,713	16,285,100	14,757,991	13,308,997	15,986,150	16,117,641	17,137,210
Unrestricted	8,929,247	18,606,085	20,702,996	22,442,784	15,315,197	9,942,780	9,016,660	12,370,308	13,959,061	17,136,178
Total Governmental Activities Net Position	\$84,305,062	\$84,804,551	\$89,550,507	\$93,588,126	\$93,456,123	\$90,667,198	\$88,696,762	\$92,653,408	\$97,351,999	\$103,508,637
Business-type activities										
Net Investment in Capital Assets	\$34,493,502	\$34,091,302	\$34,692,293	\$34,821,973	\$35,778,211	\$37,114,611	\$37,096,724	\$37,488,020	\$37,444,547	\$37,900,975
Restricted	1,438,321	1,131,986	1,193,743	1,207,193	1,270,771	1,018,871	1,018,149	1,018,291	1,018,832	1,021,404
Unrestricted	13,181,031	13,863,041	13,454,093	13,231,494	12,489,925	10,201,536	9,683,097	8,968,926	9,140,411	9,583,331
Total Business-Type Activities Net Position	\$49,112,854	\$49,086,329	\$49,340,129	\$49,260,660	\$49,538,907	\$48,335,018	\$47,797,970	\$47,475,237	\$47,603,790	\$48,505,710
Total Primary Government										
Net Investment in Capital Assets	\$90,281,422	\$88,501,383	\$92,294,756	\$95,635,602	\$97,634,037	\$103,081,038	\$103,467,829	\$101,784,970	\$104,719,844	\$107,136,224
Restricted	21,026,216	12,920,371	12,438,791	11,538,906	17,555,871	15,776,862	14,327,146	17,004,441	17,136,473	18,158,614
Unrestricted	22,110,278	32,469,126	34,157,089	35,674,278	27,805,122	20,144,316	18,699,757	21,339,234	23,099,472	26,719,509
Total Primary Government Net Position	\$133,417,916	\$133,890,880	\$138,890,636	\$142,848,786	\$142,995,030	\$139,002,216	\$136,494,732	\$140,128,645	\$144,955,789	\$152,014,347

Source: City Records

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$7,274,175	\$7,172,448	\$7,817,572	\$7,239,804	\$7,801,044	\$8,302,202	\$8,219,146	\$8,375,019	\$8,451,042	\$7,631,141
Public Safety	13,603,790	13,502,174	14,603,318	15,016,636	15,725,351	16,505,748	17,357,175	16,309,564	16,249,928	16,268,499
Leisure Time Activities	2,794,947	2,126,895	2,732,748	2,866,626	3,085,978	3,275,415	3,449,071	3,394,755	3,412,316	3,466,481
Community Development	1,113,666	1,043,526	1,232,188	1,617,775	1,702,850	1,489,030	1,438,118	1,366,224	1,359,819	1,341,884
Basic Utility Service	509,633	506,372	508,183	461,934	453,750	524,491	510,171	479,877	412,238	451,823
Transportation and Street Repair	5,052,846	10,240,547	8,377,486	10,279,823	10,437,041	9,604,526	8,622,712	7,610,384	7,447,779	6,045,380
Public Health and Welfare	25,278	25,007	24,363	24,166	23,457	23,074	22,441	21,998	21,784	21,476
Interest and Fiscal Charges	676,748	842,065	870,047	917,208	862,252	687,450	794,384	1,034,139	808,963	851,250
Total Governmental Activities Expenses	31,051,083	35,459,034	36,165,905	38,423,972	40,091,723	40,411,936	40,413,218	38,591,960	38,163,869	36,077,934
Business-Type Activities:										
Water Utility	3,964,028	3,763,190	3,696,111	4,269,598	4,263,391	4,780,644	4,450,415	4,622,668	4,510,147	4,626,165
Sewer Utility	4,616,131	4,517,979	4,710,334	5,113,311	4,966,224	4,987,541	5,030,761	4,951,150	5,100,875	5,139,515
Solid Waste Management	1,728,745	1,751,984	1,851,371	2,007,021	2,266,099	2,373,306	2,513,726	2,581,355	2,444,874	2,140,007
Recreation Facilities	1,790,010	1,885,070	1,897,000	1,936,693	2,095,997	2,222,772	2,358,398	2,066,756	2,142,869	2,177,176
Total Business-Type Activities Expenses	12,098,914	11,918,223	12,154,816	13,326,623	13,591,711	14,364,263	14,353,300	14,221,929	14,198,765	14,082,863
Total Primary Government Expenses	\$43,149,997	\$47,377,257	\$48,320,721	\$51,750,595	\$53,683,434	\$54,776,199	\$54,766,518	\$52,813,889	\$52,362,634	\$50,160,797
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$2,905,819	\$1,174,030	\$1,282,363	\$1,253,147	\$2,146,381	\$2,135,946	\$2,002,295	\$2,333,954	\$1,881,872	\$1,734,805
Public Safety	17,073	1,463,507	1,715,358	1,790,379	1,108,266	1,264,931	1,144,876	1,224,775	1,183,079	1,189,223
Leisure Time Activities	63,257	474,215	200,442	218,759	238,651	248,862	278,973	252,125	272,605	281,499
Community Development	394,855	65,027	487,966	341,793	446,641	365,788	335,889	79,800	281,964	354,464
Basic Utility Service	445,150	491,588	479,807	733,410	491,304	512,159	640,082	384,635	670,950	565,538
Transportation and Street Repair	0	0	0	0	6,665	15,307	28,587	26,561	38,233	38,389
Operating Grants and Contributions	1,279,580	2,628,669	3,356,835	2,751,313	3,193,430	3,352,963	3,010,499	3,614,620	3,338,989	2,933,524
Capital Grants and Contributions	1,797,917	1,556,398	781,952	1,410,875	647,472	1,331,917	790,846	3,115,434	3,880,495	1,707,738
Total Governmental Activities Program Revenues	6,903,651	7,853,434	8,304,723	8,499,676	8,278,810	9,227,873	8,232,047	11,031,904	11,548,187	8,805,180

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	3,382,911	3,509,115	3,468,314	3,813,675	3,873,447	3,759,023	3,777,374	3,749,292	4,025,197	\$4,666,222
Sewer Utility	4,234,392	4,170,483	4,569,010	4,569,801	4,612,647	4,720,792	4,795,347	5,229,115	5,492,327	5,733,338
Solid Waste Management	1,410,475	1,460,257	1,492,120	1,567,007	1,620,155	1,774,420	1,937,507	2,294,545	2,373,948	2,119,641
Recreation Facilities	1,417,897	1,533,572	1,644,698	1,696,093	2,015,057	2,057,814	2,084,567	1,953,697	2,097,727	1,871,477
Operating Grants and Contributions	273,206	0	0	0	0	33,290	65,667	25,919	3,999	31,597
Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	145,770
Total Business-Type Activities Program Revenues	10,718,881	10,673,427	11,174,142	11,646,576	12,121,306	12,345,339	12,660,462	13,252,568	13,993,198	14,568,045
Total Primary Government Program Revenues	\$17,622,532	\$18,526,861	\$19,478,865	\$20,146,252	\$20,400,116	\$21,573,212	\$20,892,509	\$24,284,472	\$25,541,385	\$23,373,225
Net (Expense)/Revenue										
Governmental Activities	(\$24,147,432)	(\$27,605,600)	(\$27,861,182)	(\$29,924,296)	(\$31,812,913)	(\$31,184,063)	(\$32,181,171)	(\$27,560,056)	(\$26,615,682)	(\$27,272,754)
Business-type activities	(1,380,033)	(1,244,796)	(980,674)	(1,680,047)	(1,470,405)	(2,018,924)	(1,692,838)	(969,361)	(205,567)	485,182
Total Primary Government Net Expenses	(\$25,527,465)	(\$28,850,396)	(\$28,841,856)	(\$31,604,343)	(\$33,283,318)	(\$33,202,987)	(\$33,874,009)	(\$28,529,417)	(\$26,821,249)	(\$26,787,572)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$20,228,063	\$20,316,676	\$22,302,563	\$23,491,536	\$23,770,850	\$20,975,945	\$23,206,157	\$23,652,942	\$23,709,192	\$25,606,839
Property Taxes Levied for:										
General Purposes	5,958,198	4,954,867	1,293,193	1,560,761	1,106,422	1,547,487	1,551,760	1,474,934	1,385,870	1,476,744
Special Revenue Purposes	0	0	3,679,353	4,515,318	3,306,657	3,921,193	3,799,059	3,595,787	3,551,089	3,538,952
Grants and Entitlements not Restricted	2,728,213	2,263,680	3,197,933	3,111,723	3,008,438	1,571,533	2,143,796	2,412,622	1,725,889	1,404,103
Investment Earnings	380,569	946,699	1,464,849	1,676,017	1,416,837	403,898	216,726	177,580	241,232	126,654
Other Revenues	317,431	273,167	1,219,247	156,129	172,337	168,142	211,309	642,837	851,001	1,693,821
Transfers-Internal Activities	(650,000)	(650,000)	(550,000)	(640,000)	(1,280,000)	(568,060)	(918,072)	(440,000)	(150,000)	(145,000)
Total Governmental Activities	28,962,474	28,105,089	32,607,138	33,871,484	31,501,541	28,020,138	30,210,735	31,516,702	31,314,273	33,702,113
Business-Type Activities:										
Investment Earnings	162,472	428,305	647,220	685,420	359,838	120,747	95,397	61,252	(17,798)	9,546
Other Revenues	69,615	139,966	37,254	275,158	108,814	126,228	142,321	145,376	201,918	295,954
Transfers-Internal Activities	650,000	650,000	550,000	640,000	1,280,000	568,060	918,072	440,000	150,000	145,000
Total Business-Type Activities	882,087	1,218,271	1,234,474	1,600,578	1,748,652	815,035	1,155,790	646,628	334,120	450,500
Total Primary Government	\$29,844,561	\$29,323,360	\$33,841,612	\$35,472,062	\$33,250,193	\$28,835,173	\$31,366,525	\$32,163,330	\$31,648,393	\$34,152,613

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Change in Net Position										
Governmental Activities	\$4,815,042	\$499,489	\$4,745,956	\$3,947,188	(\$311,372)	(\$3,163,925)	(\$1,970,436)	\$3,956,646	\$4,698,591	\$6,429,359
Business-Type Activities	(497,946)	(26,525)	253,800	(79,469)	278,247	(1,203,889)	(537,048)	(322,733)	128,553	935,682
Total Primary Government	<u>\$4,317,096</u>	<u>\$472,964</u>	<u>\$4,999,756</u>	<u>\$3,867,719</u>	<u>(\$33,125)</u>	<u>(\$4,367,814)</u>	<u>(\$2,507,484)</u>	<u>\$3,633,913</u>	<u>\$4,827,144</u>	<u>\$7,365,041</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									
	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013
General Fund										
Reserved	\$121,876	\$43,987	\$74,657	\$37,690	\$432,065	\$323,790	\$481,771	\$0	\$0	\$0
Unreserved	7,911,739	9,273,993	10,510,419	13,655,083	12,692,924	10,262,820	8,748,151	0	0	0
Assigned								251,377	92,799	358,413
Unassigned								10,161,500	12,352,032	15,236,166
Total General Fund	8,033,615	9,317,980	10,585,076	13,692,773	13,124,989	10,586,610	9,229,922	10,412,877	12,444,831	15,594,579
All Other Governmental Funds										
Reserved	6,512,144	6,792,569	5,254,491	2,606,357	3,801,329	1,753,678	8,672,323	0	0	0
Unreserved, Reported in:										
Special Revenue Funds	1,364,045	2,062,987	2,617,729	3,353,296	3,911,307	4,433,536	4,546,166	0	0	0
Debt Service Funds	1,582,749	1,652,542	1,991,644	1,498,864	1,528,211	1,453,973	1,485,833	0	0	0
Capital Projects Funds	8,371,053	194,779	(10,454)	146,107	363,059	5,493,406	4,540,749	0	0	0
Restricted								17,004,137	14,821,559	15,154,484
Assigned								212,497	209,911	193,969
Unassigned								(907,538)	(1,043,316)	(437,769)
Total all Other Governmental Funds	\$17,829,991	\$10,702,877	\$9,853,410	\$7,604,624	\$9,603,906	\$13,134,593	\$19,245,071	\$16,309,096	\$13,988,154	\$14,910,684

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$26,220,071	\$25,961,492	\$27,105,520	\$28,828,205	\$28,500,970	\$26,861,747	\$28,266,333	\$28,583,571	\$28,664,812	\$30,423,136
Fines, Licenses & Permits	2,858,235	1,974,885	2,437,555	2,136,564	2,363,478	2,136,001	2,261,968	2,182,221	2,005,002	1,886,788
Charges for Services	851,781	1,573,729	1,525,192	1,962,620	1,809,440	2,211,605	1,790,882	2,370,058	2,561,018	2,619,848
Investment Earnings	379,609	815,309	1,441,262	1,635,445	1,456,745	406,997	367,848	211,364	245,561	135,821
Intergovernmental	4,504,553	6,767,918	6,489,289	6,767,796	7,270,321	6,560,501	6,189,211	7,382,476	8,716,682	6,548,135
Special Assessments	63,649	61,048	173,721	253,763	279,582	69,656	28,213	19,026	28,940	276,143
Other Revenues	274,294	436,861	1,322,942	312,794	319,880	662,331	385,809	1,193,989	420,692	671,902
Total Revenues	\$35,152,192	\$37,591,242	\$40,495,481	\$41,897,187	\$42,000,416	\$38,908,838	\$39,290,264	\$41,942,705	\$42,642,707	\$42,561,773
Expenditures:										
Current:										
General Government	\$6,036,322	\$6,451,328	\$7,355,804	\$6,697,012	\$7,302,449	\$7,932,771	\$7,591,020	\$7,868,338	\$7,492,947	\$7,297,563
Public Safety	12,344,876	12,958,223	13,570,140	14,094,273	14,932,090	15,262,238	15,724,127	15,276,912	14,999,429	15,441,781
Leisure Time Activities	1,314,111	1,887,376	2,083,769	2,215,832	2,449,825	2,600,220	2,683,583	2,527,523	2,279,421	2,416,016
Community Development	1,033,798	1,107,022	1,183,209	1,573,045	1,588,348	1,439,439	1,451,970	1,326,096	1,304,371	1,326,648
Basic Utility Service	509,030	506,372	508,183	461,934	453,750	524,491	510,171	479,877	412,238	451,823
Transportation and Street Repair	2,528,611	7,908,631	6,058,791	7,946,070	8,260,640	7,318,320	6,208,262	5,315,056	4,388,564	3,063,645
Public Health and Welfare	25,278	25,007	24,363	24,166	23,457	23,074	22,441	21,998	21,784	21,476
Capital Outlay	14,417,429	10,226,385	7,349,867	5,363,198	2,368,797	6,902,977	6,092,909	7,697,920	9,258,968	5,277,220
Debt Service:										
Principal Retirement	914,716	953,756	945,591	890,000	870,000	954,515	1,233,549	1,577,547	1,716,763	1,686,207
Interest and Fiscal Charges	676,748	642,186	998,885	954,928	855,696	565,524	776,107	1,024,387	839,474	876,493
Total Expenditures	\$39,800,919	\$42,666,286	\$40,078,602	\$40,220,458	\$39,105,052	\$43,523,569	\$42,294,139	\$43,115,654	\$42,713,959	\$37,858,872

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess (Deficiency) of Revenues Over Expenditures	(\$4,648,727)	(\$5,075,044)	\$416,879	\$1,676,729	\$2,895,364	(\$4,614,731)	(\$3,003,875)	(\$1,172,949)	(\$71,252)	\$4,702,901
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$37,572	\$17,295	\$636,750	\$12,002	\$16,134	\$346	\$18,115	\$25,929	\$122,264	\$54,377
Issuance of Capital Leases	0	0	0	0	0	378,346	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0	0	6,065,000	9,125,000	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	2,750,000	0	0	6,540,000	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(2,829,535)	0	0	(6,852,466)	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	0	0	35,083	37,037	0	422,277	0
Transfers In	2,958,603	3,092,588	6,168,926	4,818,767	5,922,490	9,330,293	3,374,427	3,591,239	4,721,472	5,515,626
Transfers (Out)	(3,708,603)	(3,877,588)	(6,804,926)	(5,648,587)	(7,402,490)	(10,048,353)	(4,644,233)	(4,197,239)	(5,061,472)	(6,200,626)
Total Other Financing Sources (Uses)	(712,428)	(767,705)	750	(817,818)	(1,463,866)	5,681,180	7,910,346	(580,071)	(107,925)	(630,623)
Net Change in Fund Balances	(\$5,361,155)	(\$5,842,749)	\$417,629	\$858,911	\$1,431,498	\$1,066,449	\$4,906,471	(\$1,753,020)	(\$179,177)	\$4,072,278
Debt service as a percentage of noncapital expenditures (1)	5.4%	5.0%	5.9%	5.3%	4.7%	4.2%	5.5%	7.3%	7.3%	7.7%

Source: City Records

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

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

Calendar Year	Real Property Assessed Value	Tangible Personal Property		Public Utilities Personal		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
		Assessed Value	Assessed Value	Assessed Value	Value			
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)	977,696,820		0		28,055,930	1,005,752,750	2,794,779,582	5.94
2012 (1)	923,744,720		0		30,787,720	954,532,440	2,652,448,898	5.94
2013 (1)	916,662,950		0		32,024,670	948,687,620	2,636,207,348	5.94

Source: County Auditor

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

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

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

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

Calendar Year	Direct Rate				Overlapping Rates		
	General Fund	Police Levy	Fire/EMS Levy	Total	County Levy	School Levy	Voactional School Levy
2004	0.99	0.30	4.65	5.94	8.74	53.82	1.93
2005	0.99	0.30	4.65	5.94	8.74	58.66	1.93
2006	0.99	0.30	4.65	5.94	9.44	58.60	1.93
2007	0.99	0.30	4.65	5.94	10.95	58.60	1.93
2008	0.99	0.30	4.65	5.94	10.45	58.60	1.93
2009	0.99	0.30	4.65	5.94	9.75	56.59	1.93
2010	0.99	0.30	4.65	5.94	9.75	56.52	1.93
2011	0.99	0.30	4.65	5.94	9.72	56.60	1.93
2012	0.99	0.30	4.65	5.94	9.72	63.10	1.93
2013	0.99	0.30	4.65	5.94	9.72	62.80	1.93

Source: County Auditor

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

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

2013 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio, Inc.	\$30,269,100	3.19%
Sam Boymel Trustee	7,583,160	0.80%
Ohio Casualty Insurance Co.	6,271,270	0.66%
Faith-Village Park Apartments	5,642,110	0.59%
Woodstock & Glen Eagle Apartments	5,361,060	0.57%
Timber Hollow Apartments, LLC	5,125,150	0.54%
Rajole, LLC	4,890,590	0.52%
TGM Camelot, Inc.	4,791,740	0.51%
Penn Gardens Capital	4,242,050	0.45%
Cincinnati Financial Group	4,165,720	0.44%
	<u>\$78,341,950</u>	<u>8.27%</u>

2005 (3)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas & Electric Company	\$20,629,170	1.97%
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	0.45%
	<u>\$83,352,750</u>	<u>7.96%</u>

Source: County Auditor

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

(2) - Collection Year 2013

(3) - Collection Year 2005

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	5,153,091	4,977,999	96.60%	172,024	5,150,023	99.94%
2013	5,120,551	5,048,532	98.59%	153,557	5,120,551	100.00%

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	Percentage of Total				
		Withholding	Business	Individuals	Total	Total
2004	1.50%	\$15,268,560	\$2,149,376	\$3,013,100	\$20,431,036	100.0%
2005	1.50%	16,077,087	2,481,067	2,861,497	21,419,651	100.0%
2006	1.50%	16,835,490	2,453,588	2,884,054	22,173,132	100.0%
2007	1.50%	18,435,779	3,030,632	2,650,151	24,116,562	100.0%
2008	1.50%	17,973,429	3,554,484	2,646,073	24,173,986	100.0%
2009	1.50%	17,079,959	2,409,419	2,772,187	22,261,565	100.0%
2010	1.50%	16,998,101	3,732,095	2,865,283	23,595,479	100.0%
2011	1.50%	17,706,498	3,315,767	2,951,183	23,973,448	100.0%
2012	1.50%	18,548,641	2,974,498	3,045,095	24,568,234	100.0%
2013	1.50%	19,206,364	3,668,794	3,073,729	25,948,887	100.0%

Source: City Finance Department

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

	2013
Name	Amount
Cincinnati Insurance	\$3,394,521
Liberty Mutual Group	1,381,519
Mercy Regional Health System	1,341,739
Fairfield Board of Education	585,793
Express Scripts	524,762
Koch Meat Co Inc	364,259
Pacific Mfg Ohio Inc	359,864
City of Fairfield	305,496
Reyes Holdings LLC	243,338
Devco Holdings	179,346
Total Collections - Principal Taxpayers	<u>\$8,680,637</u>
Total Collections	\$25,948,887
Combined percentage of total income taxes	33.5%
	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 seven years ago information only available

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

Calendar Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	General Obligation Bonds		Mortgage Revenue Bonds				
						Loans					
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	0.23%	703
2010	24,832,967	0	0	275,282	5,920,185	3,483,678	0	1,700,000	36,212,112	0.28%	852
2011	23,323,331	2,250,000	0	197,735	5,154,545	3,113,867	0	1,500,000	35,539,478	0.26%	836
2012	22,074,185	1,750,000	0	115,972	4,357,688	2,755,301	0	1,300,000	31,986,052	0.22%	752
2013	20,427,762	1,250,000	0	29,765	3,528,338	2,328,129	0	1,100,000	28,663,994	N/A	674

Source: City Finance Department

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

N/A - Information not available

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

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Debt Service Fund Balance	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$21,300,000	\$1,174,353	\$20,125,647	0.72%	\$642
2005	19,780,000	1,237,711	18,542,289	0.66%	586
2006	18,585,000	1,309,857	17,275,143	0.57%	521
2007	17,370,000	1,374,488	15,995,512	0.53%	473
2008	16,160,000	1,410,471	14,749,529	0.49%	415
2009	20,684,055	1,420,961	19,263,094	0.63%	558
2010	28,316,645	1,430,938	26,885,707	0.96%	765
2011	26,437,198	1,464,498	24,972,700	0.89%	683
2012	24,462,392	1,558,685	22,948,959	0.87%	591
2013	22,755,891	1,774,344	20,981,547	0.80%	N/A

Source: City Finance Department

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

City of Fairfield, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013
Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$50,968,150	12.72%	\$6,483,149
Hamilton County	64,345,000	0.00%	0
Fairfield City School District	24,773,665	69.19%	17,140,899
Lakota Local School District	143,430,000	0.41%	588,063
Northwest L School District	19,065,000	0.00%	0
Butler Technology & Career Center Jt. Voc. School District	3,000,000	11.68%	350,400
Subtotal Overlapping Debt	305,581,815		24,562,511
City of Fairfield - Direct Debt	23,985,865	100.00%	23,985,865
Total Direct and Overlapping Debt	\$329,567,680		\$48,548,376

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 2013				
Assessed Value		\$948,687,620		\$948,687,620
Statutory Legal Debt Limitation (1)		10.5%		5.5%
Total Debt Limitation		99,612,200		52,177,819
Debt Applicable to Limit:				
Gross Indebtedness		22,755,891		22,755,891
Less: Bond Retirement Fund Balance		0		0
Total Net Debt Applicable to Limit		22,755,891		22,755,891
Legal Debt Margin		\$76,856,309		\$29,421,928

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Debt Limit (1)										
Debt Limit (10.5%)	\$102,285,958	\$103,507,593	\$110,732,142	\$110,297,598	\$109,307,721	\$109,783,908	\$105,276,746	\$100,225,906	\$100,225,906	\$99,612,200
Total Net Debt Applicable to Limit	22,800,000	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	26,437,198	24,462,392	22,755,891
Legal Debt Margin	\$79,485,958	\$70,727,593	\$79,947,142	\$82,427,598	\$84,647,721	\$87,199,853	\$75,260,101	\$73,788,708	\$75,763,514	\$76,856,309
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	22.3%	31.7%	27.8%	25.3%	22.6%	20.6%	28.5%	26.4%	24.4%	22.8%

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$53,578,359	\$54,218,263	\$58,002,551	\$57,774,932	\$57,256,426	\$57,505,857	\$55,144,962	\$52,499,284	\$52,499,284	\$52,177,819
Total Net Debt Applicable to Limit	22,800,000	32,780,000	30,785,000	27,870,000	24,660,000	22,584,055	30,016,645	26,437,198	24,462,392	22,755,891
Legal Debt Margin	\$30,778,359	\$21,438,263	\$27,217,551	\$29,904,932	\$32,596,426	\$34,921,802	\$25,128,317	\$26,062,086	\$28,036,892	\$29,421,928
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	42.6%	60.5%	53.1%	48.2%	43.1%	39.3%	54.4%	50.4%	46.6%	43.6%

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	
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
2012	506,161	0	0	N/A
2013	369,777	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)
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	12,653,202	34,512	9.30%
2010	42,510	12,959,978	35,138	8.80%
2011	42,510	13,538,158	36,590	7.90%
2012	42,510	14,398,043	38,852	6.00%
2013	42,510	N/A	N/A	7.10%

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

2013			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Schools	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)
Miller Coors	Mfg	(4)	(5)
Pierre Foods	Mfg	(4)	(5)

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

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Administration	6	5	5	5	5	5	5	5	5	5
City Council	2	2	2	2	2	2	2	2	2	2
Engineering	8	7	7	7	7	7	6	6	6	6
Facility/Janitors	2	2	2	2	2	2	2	2	2	2
Municipal Court	19	18	19	21	21	21	21	21	20	19
Finance	20	21	20	20	21	23	22	21	21	21
Public Safety										
Police										
Officers	59	61	60	60	60	61	60	59	58	58
Non-Sworn	20	19	20	21	21	20	20	20	20	20
Fire	24	27	30	30	30	31	31	30	29	29
Leisure Time Activities										
Parks and recreation	21	23	22	22	22	22	21	20	20	20
Community Development										
Planning and Zoning	4	4	4	4	4	4	4	4	4	4
Building Inspection	8	8	9	9	10	10	8	8	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	22	21	20	22	21	21	21	21	21	19
Wastewater	23	21	22	22	22	22	21	22	21	21
Transportation and Street Repair	30	30	30	30	30	30	29	28	27	27
Total	269	270	273	278	279	282	274	270	265	262

Source: City Finance Department

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

Function/Program	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Community Environment										
Planning and Development										
Building permits issued	2,237	2,192	1,910	1,739	1,902	1,890	1,806	1,787	2,068	1,771
Building inspections conducted	5,733	4,895	4,030	3,491	4,196	2,841	3,250	2,665	2,904	2,820
Economic Development										
Value of Residential Construction	\$18,884,763	\$19,727,985	\$15,292,249	\$8,266,873	\$5,987,184	\$7,878,345	\$7,131,659	\$6,581,580	\$8,020,432	\$6,689,302
Value of Commercial Construction	\$28,039,382	\$45,152,931	\$68,682,460	\$31,323,193	\$40,943,871	\$10,637,756	\$18,436,106	\$16,158,312	\$22,505,453	\$27,617,808
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,122	1,126	1,050	1,163	932	1,060	1,108	948	1,063	928
Dollar Amount of Refunds	\$490,110	\$514,281	\$435,208	\$650,850	\$886,280	\$838,260	\$733,150	\$488,939	\$493,998	\$475,670
Average Refund Amount	\$437	\$457	\$414	\$560	\$951	\$791	\$662	\$516	\$465	\$513
Court										
Number of Criminal Cases	2,744	3,432	4,066	4,063	4,123	4,702	4,478	4,334	3,359	3,215
Number of Civil Cases	1,928	1,876	1,905	2,014	2,136	1,837	1,660	1,667	1,459	1,223
Construction Services										
Square Footage of Sidewalk Repairs	14,769	1,110	16,439	17,198	26,999	32,598	19,432	31,350	13,951	24,976
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	1,236	1,223	1,178	1,929	3,798	3,612	3,458	3,476	2,802	2,732
Juvenile	382	474	565	441	497	387	355	26	222	258
Citations	5,428	7,354	5,758	3,438	3,847	3,432	3,208	2,555	2,310	3,043
Accidents	1,516	1,470	1,514	1,403	1,628	1,283	1,207	1,232	1,237	1,144
Fire										
Emergency responses	3,681	3,818	4,247	5,257	3,929	4,355	4,676	5,378	5,465	5,437
Fire Calls	143	3,172	4,461	1,244	2,366	1,022	879	869	906	866
Inspections	3,200	3,560	3,600	2,841	2,032	2,100	2,124	2,136	1,526	1,855
Transportation										
Public Works										
Number of Street Miles Resurfaced	6	6	5	8	7	6	7	5	4	13
Tons of Street Salt Used	4,159	3,811	949	5,648	6,663	5,277	8,146	3,671	1,177	4,686
Cubic Yards of Leaves Picked-up	5,770	5,985	8,054	5,300	4,056	6,074	4,396	2,929	3,952	3,959

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

Function/Program	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Leisure										
Parks and Recreation										
Number of Theater Patrons	(a)	(a)	8,113	11,842	12,645	13,775	15,516	14,395	14,345	12,195
Number of Pool Admissions	38,000	40,139	42,614	43,124	42,204	41,747	34,741	46,505	34,838	24,090
Program Attendance:										
Youth/Preschool	8,168	9,259	15,245	18,968	33,535	26,464	19,710	18,861	21,796	20,073
Fitness	725	950	6,800	8,311	11,225	12,695	12,298	12,254	12,479	9,636
Senior Activities	350	420	5,500	9,883	11,152	12,957	14,521	13,559	16,323	18,047
Water										
Water main breaks	43	55	55	35	66	65	64	60	57	64
Average daily consumption (millions of gallons)	4.789	4.986	5.125	5.040	5.760	5.360	5.250	5.200	5.149	5.068
Peak daily consumption (millions of gallons)	5.366	5.739	6.076	6.546	7.883	8.208	7.749	7.407	8.282	7.746
Wastewater										
Average daily sewage treatment (millions of gallons)	5.717	5.605	5.977	5.308	5.900	5.679	5.084	4.934	4.955	5.323

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,795	17,795	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033
Police Cruisers	21	21	26	26	26	26	26	27	24	24
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	5	5	5	5	5	4	4
Number of EMS Vehicles	4	4	4	4	4	4	4	4	4	4
Public Works										
Area of City (square miles)	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18
Streets (miles)	160.5	160.5	160.5	160.5	160.5	160.5	160.5	160.6	160.7	166.3
Highways (miles)	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.27	7.27	7.27
Streetlights	1,525	1,525	1,525	1,525	1,525	1,525	1,525	2,962	2,962	2,962
Traffic signals	53	53	55	58	58	58	58	60	61	61
Parks and Recreation										
Number of Parks	24	24	25	25	25	25	25	25	26	29
Area of Parks (acreage)	438.50	438.50	468.50	469	469	469	469	469	577	676
Playgrounds	11	12	12	12	12	12	12	12	15	14
Baseball/softball diamonds	16	16	16	16	16	16	16	16	16	18
Soccer/football fields	11	11	11	11	11	11	11	11	11	12
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	0	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Water Mains (miles)	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00
Fire hydrants	2,299	2,301	2,326	2,326	2,384	2,384	2,384	1,965	1,965	1,966
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)	161.00	164.00	166.10	166.10	175.00	175.00	175.00	175.00	175.00	175.00

Source: Various City Departments

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