

**CITY OF FAIRFIELD
BUTLER COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants

**CITY OF FAIRFIELD
BUTLER COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF FAIRFIELD, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	Assistance Listing Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Pass-Through Ohio Department of Transportation:</i>			
Highway Planning and Construction:			
Rte 4, Michael Lane	PID 108270	20.205	\$ 584,990
Rte 4 Improvements	PID 110415	20.205	<u>2,199,254</u>
Total Highway Planning and Construction			2,784,244
Subtotal - U.S. Department of Transportation			<u>2,784,244</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Staffing for Adequate Fire and Emergency Response	EMW-2021-FF-00003	97.083	857,930
Assistance to Firefighters Grant	EMW-2021-FG-00610	97.044	174,663
Assistance to Firefighters Grant	EMW-2022-FG-00001	97.044	<u>37,014</u>
Total Assistance to Firefighters Grant			211,677
Subtotal - U.S. Department of Homeland Security			<u>1,069,607</u>
<u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Pass Through Butler County, Ohio:</i>			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants / Entitlement Grants	B-20-UC-39-0008	14.218	200,000
Community Development Block Grants / Entitlement Grants	B-22-UC-39-0008	14.218	<u>131,300</u>
Total CDBG - Entitlement Grants Cluster			331,300
Subtotal - U.S. Department of Housing and Urban Development			<u>331,300</u>
<u>US DEPARTMENT OF THE TREASURY</u>			
<i>Pass Through Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	5CV4	21.027	1,525,462
<i>Pass Through Butler County Board of County Commissioners:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	22-12-01985	21.027	600,000
<i>Pass Through Ohio Emergency Management Agency:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	<u>334,762</u>
Total Coronavirus State and Local Fiscal Recovery Funds			2,460,224
Subtotal - U.S. Department of the Treasury			<u>2,460,224</u>
Total Expenditures of Federal Awards			<u>\$ 6,645,375</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

June 14, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fairfield, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 14, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 14, 2024

CITY OF FAIRFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

COVID-19 Coronavirus State and Local Fiscal Recovery Funds ALN 21.027
Staffing for Adequate Fire and Emergency Response ALN 97.083

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF FAIRFIELD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
Year Ended December 31, 2023

The City had no prior audit findings or questioned costs.

CITY OF FAIRFIELD



Annual Comprehensive Financial Report



**City of Fairfield, Ohio
For the Year Ended
December 31, 2023**

CITY OF FAIRFIELD, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

**Prepared By:
Department of Finance
Chris Hacker, Director**

On the Cover

**A gazebo at Veterans Memorial Park, surrounded
by fall foliage and flowers planted by the City's
Parks Department.**

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INTRODUCTORY SECTION

City of Fairfield, Ohio



June 14, 2024

To the Honorable Mayor, Mitch Rhodus,
Members of City Council, and Citizens of
the City of Fairfield, Ohio

The Annual Comprehensive Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 2023, 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 Annual Comprehensive Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects upon the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

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

City Overview

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

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

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

Economic Conditions and Outlook

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

The City's employer base continues to help provide a stable backbone for the City's main revenue source, income tax. While many other communities experienced loss of jobs and/or industries over past years, Fairfield has been fortunate to retain and attract desirable businesses and industries into the City.

The residents approved an income tax reapportionment of the 1.5% income tax in 2012 to offset losses in State revenue. This reapportionment was effective in 2013 and reallocated monies to the General fund by reducing the Street and Capital Improvement funds each by 0.05%. It was understood at the time of the reapportionment should the General fund have available funds above the reserve balance, funds would be transferred back to the Street Improvement and Capital Improvement funds to replace the 0.05%. In 2023, the City replenished the revenue to the Street Improvement and Capital Improvement funds to fund the substantial five-year Capital Improvement Program. The City will continue to do so as long as income tax revenues are sufficient to maintain the General fund operations and reserves.

Relevant Financial Policies

In 2017, the State of Ohio passed changes to the municipal income tax statute and revenue collection streams. In December 2016, over 150 Ohio municipalities filed a lawsuit to try and prevent the changes to the municipal income tax statute. The concerns revolve around the State Department of Taxation becoming a central filing and collection point for business profit returns, assessing the municipality a fee to process the returns and limiting access to tax information necessary for a municipal jurisdiction to review and audit returns as well as to enforce the local tax laws. In February, 2018 the Franklin County Judge ruled in favor of the State of Ohio. An appeal was filed, and in November of 2020 the Judge ruled that the State could become a central filing and collection point for business profit returns, however the State is not allowed to charge Local municipalities the administrative fee for collection of the net profit tax, due to this ruling the State refunded local municipalities fees that were previously assessed. At this time, the total financial impact is negligible.

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 2023:

- 1) The Wastewater Division has begun improvements to the Aeration System for the activated sludge treatment process and includes the replacement of all diffusers, blowers, air headers, and instrumentation components. In addition to increased efficiency and reduces maintenance costs, these improvements will bring the system into regulatory compliance and decrease energy consumption required for the operations of the wastewater treatment facilities. The cost of construction and installation is \$6,450,000.
- 2) The construction of a new 1.25 million gallon elevated water tank, the City's sixth water storage tower was completed and activated on Port Union Road. This tower was constructed to provide necessary water supply for the expanded industrial growth and fire suppression and protection on the eastern side of the City. The cost of this construction was \$5,547,488.

Future Projects

Accomplishments and significant capital projects to look forward to in 2024 include the following:

- 1) The Water Division will be converting the process equipment for the treating of drinking water from chlorine and fluoride chemical feeds to sodium hypochlorite. In addition to creating a better tasting drinking water, it creates a safer environment for City staff working at the water treatment facility by eliminating the need to store and use harsh and volatile chemicals. This project is anticipated to cost \$1,500,000.
- 2) The Public Works Department will make significant improvements on South Gilmore Road from Resor Road to Mack Road, widening to accommodate an additional southbound lane and eliminating a merge lane. In addition to the new pavement, this construction will also include signal improvements, pedestrian walks and crossings, and storm sewer improvements. The anticipated cost of this construction is \$4,800,000.

Internal Accounting and Budgetary Controls

The City believes that the internal control structure adequately safeguarded assets and provided reasonable assurance of proper recording of financial transactions. The cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. It is further the City's 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 as of December 31, 2023.

City Income Tax

Under the Ohio Revised Code, Section 718, municipal governments can levy an income tax. Since 1960, the City has levied an income tax on gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City.

The current income tax rate of 1.5% was approved by voters in 1971 and since then the allocation of the income taxes has changed 4 times. The latest voter approved allocation occurred in 2012, effective for 2013. The current allocation of the income tax is 1.2% to the General fund, 0.15% to the Street Improvement fund and 0.15% to the Capital Improvement fund.

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

	2023	2022
General Fund	1.20%	\$33,526,681
Street Improvement Fund	0.15%	4,190,835
Capital Improvement Fund	0.15%	<u>4,190,835</u>
 Gross Revenues	 <u>\$41,908,351</u>	 <u>\$40,719,783</u>

Independent Audit

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

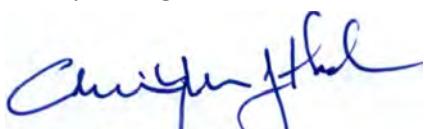
Acknowledgements

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

Respectfully submitted,
City of Fairfield



Scott W. Timmer
City Manager



Christopher U. Hacker
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Mitch Rhodus

COUNCIL MEMBERS

Vice Mayor – Tim Meyers

Leslie Besl
Gwen Brill
Dale Paullus

Matt Davidson
Terry Senger
Adam Kraft

APPOINTED OFFICIALS

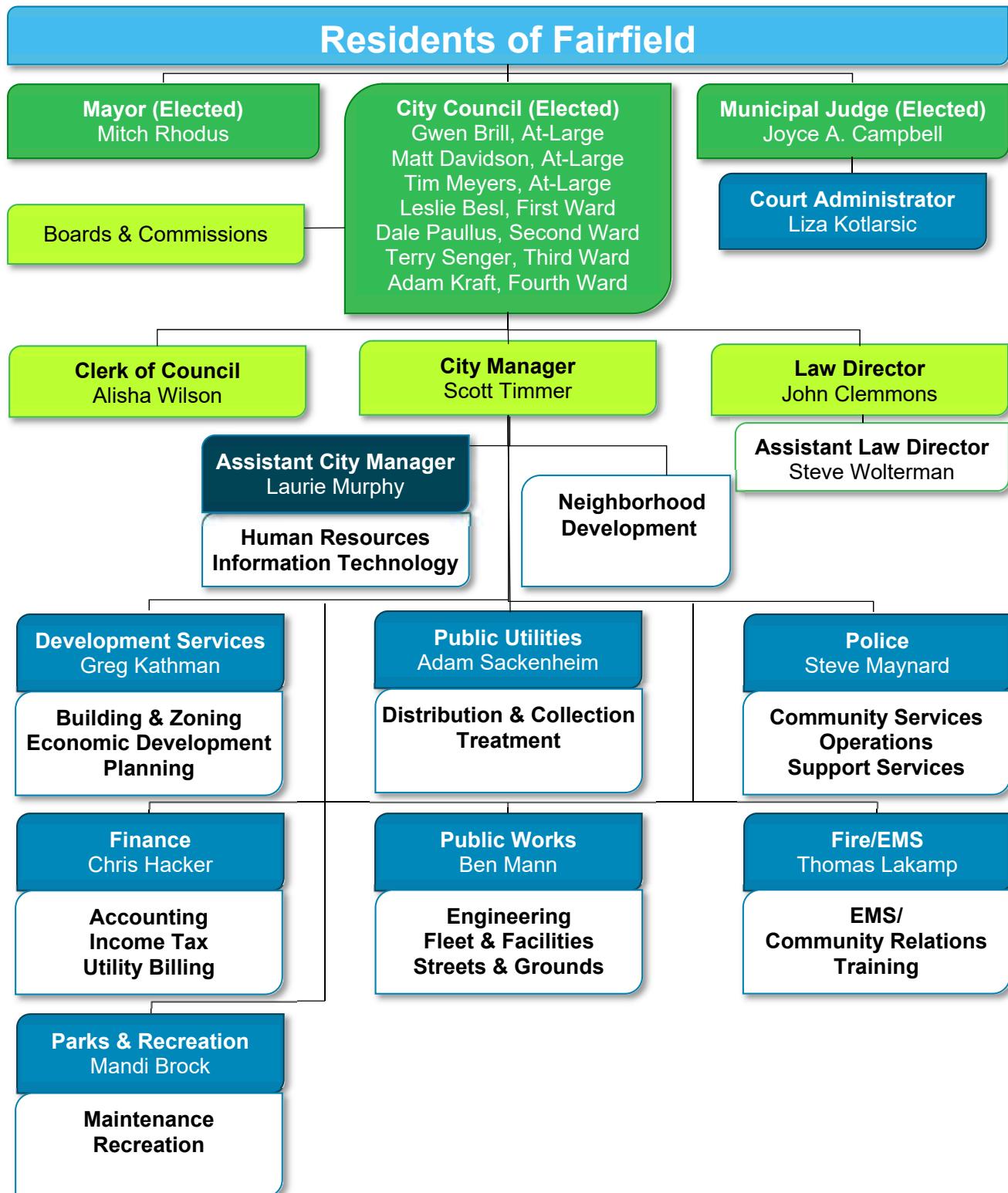
City Manager
Assistant City Manager
Director of Finance
Director of Law
Director of Public Works
Director of Parks and Recreation
Director of Public Utilities
Director of Development Services
Chief of Police
Chief of Fire
Clerk of Council

Scott Timmer
Laurie Murphy
Chris Hacker
John Clemmons
Ben Mann
Mandi Brock
Adam Sackenheim
Greg Kathman
Steve Maynard
Thomas Lakamp
Alisha Wilson

DEPARTMENT OF FINANCE

Director of Finance
Income Tax Administrator
Payroll Administrator

Chris Hacker
Megan Burns
Karen Broughton





Government Finance Officers Association

**Certificate of
Achievement
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Reporting**

Presented to

**City of Fairfield
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Monell

Executive Director/CEO

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FINANCIAL SECTION

City of Fairfield, Ohio

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 14, 2024

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(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, 2023. 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 \$20,851,122. Net position of governmental activities increased \$15,552,122, net position of business-type activities increased by \$5,299,000.
- The general fund reported a fund balance of \$32,943,928.
- Business-type operations reflected operating income of \$4,421,490.
- The City had \$62,867,510 in expenses relating to governmental activities; program revenues offset \$18,083,171 of these expenses. General revenues and transfers of \$60,336,461 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(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, and Sewer Utility.

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 custodial fiscal agent for the Municipal Court and the Joint Economic Development District. The City's fiduciary responsibility is reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. 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.

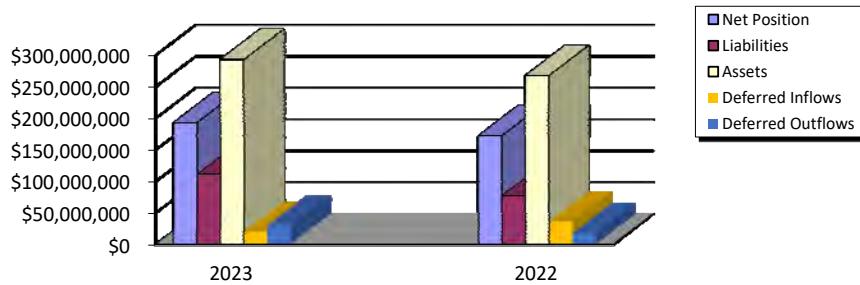
City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

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 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022-Restated	2023	2022	2023	2022-Restated
Assets:						
Current and Other Assets	\$121,253,408	\$109,228,233	\$32,419,486	\$28,486,981	153,672,894	\$137,715,214
Capital Assets	87,679,088	81,908,842	50,773,955	47,178,439	138,453,043	129,087,281
Total Assets	208,932,496	191,137,075	83,193,441	75,665,420	292,125,937	266,802,495
Deferred Outflows of Resources:						
Deferred Charge on Refunding	213,442	269,424	0	0	213,442	269,424
OPEB	3,818,113	3,186,292	493,717	0	4,311,830	3,186,292
Pension	22,096,162	12,503,983	3,089,532	963,168	25,185,694	13,467,151
Total Deferred Outflows of Resources	26,127,717	15,959,699	3,583,249	963,168	29,710,966	16,922,867
Liabilities:						
Other Liabilities	9,245,807	8,788,730	8,346,170	9,823,916	17,591,977	18,612,646
Long-Term Liabilities	71,333,379	46,794,653	21,716,492	11,694,228	93,049,871	58,488,881
Total Liabilities	80,579,186	55,583,383	30,062,662	21,518,144	110,641,848	77,101,527
Deferred Inflows of Resources:						
Property Taxes	11,540,700	11,421,000	0	0	11,540,700	11,421,000
Grants and Other Taxes	239,307	237,613	0	0	239,307	237,613
Leases	1,793,740	1,211,019	286,967	300,632	2,080,707	1,511,651
OPEB	3,200,377	3,681,707	57,469	943,407	3,257,846	4,625,114
Pension	1,991,101	14,798,372	83,754	2,879,567	2,074,855	17,677,939
Total Deferred Inflows of Resources	18,765,225	31,349,711	428,190	4,123,606	19,193,415	35,473,317
Net Position:						
Net Investment In Capital Assets	80,782,165	74,649,663	32,459,897	33,248,528	113,242,062	107,898,191
Restricted	46,462,460	42,140,398	1,092,433	1,943,805	47,554,893	44,084,203
Unrestricted	8,471,177	3,373,619	22,733,508	15,794,505	31,204,685	19,168,124
Total Net Position	\$135,715,802	\$120,163,680	\$56,285,838	\$50,986,838	\$192,001,640	\$171,150,518



Total net position of the City as a whole increased \$20,851,122. Net position of the City's governmental activities increased \$15,552,122, while the net position of the City's business-type activities increased \$5,299,000 from 2022. 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 \$31,204,685. Capital Assets increased mainly due to current year additions being greater than depreciation expense. Total Long-Term Liabilities increased mainly due to issuances of OWDA loans during 2023 and also due to changes in net pension and OPEB liabilities.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

Table 2 shows the changes in net position at year-end and revenue and expense comparisons for 2023 to 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for Services	\$6,256,717	\$6,001,072	\$22,883,017	\$20,744,249	\$29,139,734	\$26,745,321
Operating Grants and Contributions	7,855,366	5,170,779	0	0	7,855,366	5,170,779
Capital Grants and Contributions	3,971,088	1,894,677	0	0	3,971,088	1,894,677
Total Program Revenues	18,083,171	13,066,528	22,883,017	20,744,249	40,966,188	33,810,777
General Revenues:						
Income Taxes	40,404,187	40,717,948	0	0	40,404,187	40,717,948
Property Taxes	13,209,532	8,421,302	0	0	13,209,532	8,421,302
Grants and Entitlements	1,724,887	2,214,961	0	0	1,724,887	2,214,961
Investment Earnings	3,439,857	(117,392)	755,824	(31,082)	4,195,681	(148,474)
Other Revenues	1,907,998	1,368,018	306,133	373,320	2,214,131	1,741,338
Total General Revenues	60,686,461	52,604,837	1,061,957	342,238	61,748,418	52,947,075
Total Revenues	78,769,632	65,671,365	23,944,974	21,086,487	102,714,606	86,757,852
Program Expenses:						
General Government	11,244,764	9,154,428	0	0	11,244,764	9,154,428
Public Safety	29,173,859	22,687,609	0	0	29,173,859	22,687,609
Community Development	2,687,755	1,619,909	0	0	2,687,755	1,619,909
Leisure Time Activities	4,905,986	3,987,994	0	0	4,905,986	3,987,994
Transportation and Street Repair	13,420,437	11,840,154	0	0	13,420,437	11,840,154
Basic Utility Service	555,039	362,300	0	0	555,039	362,300
Public Health and Welfare	729,927	20,370	0	0	729,927	20,370
Interest and Other Charges	149,743	161,071	0	0	149,743	161,071
Water Utility	0	0	6,935,239	8,952,833	6,935,239	8,952,833
Sewer Utility	0	0	6,986,355	8,665,514	6,986,355	8,665,514
Solid Waste	0	0	2,733,330	2,582,473	2,733,330	2,582,473
Recreation	0	0	2,341,050	1,631,519	2,341,050	1,631,519
Total Program Expenses	62,867,510	49,833,835	18,995,974	21,832,339	81,863,484	71,666,174
Increase (Decrease) in Net Positon before Transfers	15,902,122	15,837,530	4,949,000	(745,852)	20,851,122	15,091,678
Transfers - Internal Activities	(350,000)	(350,000)	350,000	350,000	0	0
Change in Net Position	15,552,122	15,487,530	5,299,000	(395,852)	20,851,122	15,091,678
Net Position - Beginning of Year	120,163,680	104,676,150	50,986,838	51,382,690	171,150,518	156,058,840
Net Position - End of Year	\$135,715,802	\$120,163,680	\$56,285,838	\$50,986,838	\$192,001,640	\$171,150,518

Governmental Activities

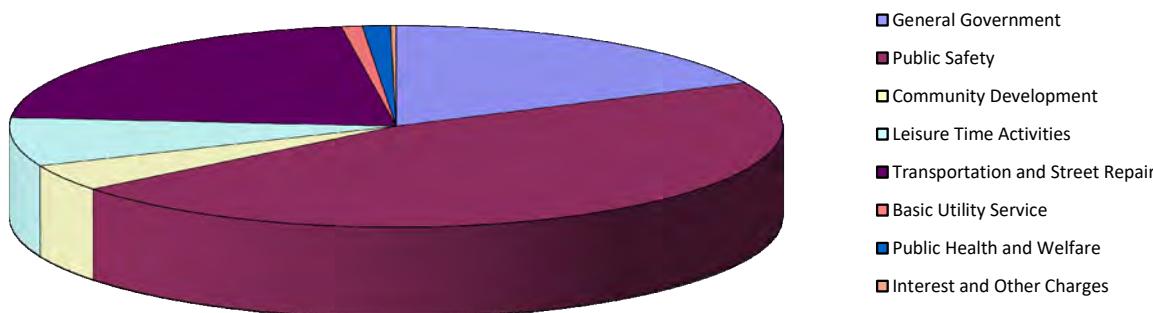
The City had an increase in revenues mainly due to an increase in investment earnings and property taxes that the City received in 2023. Total expenses increased from 2022 mainly due to the City's public safety services that they provide, street maintenance and repairs they provide and the general government services that they provide throughout the City.

Revenues generated by the earnings tax represent approximately 51.5% of the City's governmental activities revenues. The City's 2023 earnings tax revenues decreased approximately .77% when compared to 2022 earnings tax revenues.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

Governmental Activities Program Expenses for the Current Year

	Percentage
General Government	17.89%
Public Safety	46.40%
Community Development	4.28%
Leisure Time Activities	7.80%
Transportation and Street Repair	21.35%
Basic Utility Service	0.88%
Public Health and Welfare	1.16%
Interest and Other Charges	0.24%
Total	100.00%



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

Income Tax

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

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

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

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

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had operating income of \$4,421,490 for 2023. The operating revenues for business-type activities were \$23,189,150, while operating expenses were \$18,767,660 for 2023. The increase in operating income for 2023 was mainly due to a decrease in the City's operating expenses, in 2023 as compared to 2022.

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

For the next nearly twenty years, the City operated the ion exchange plant as its primary source of drinking water. But as the City grew, the supply was not sufficient to keep up with demand. As a result, the City entered into an agreement with the City of Hamilton to purchase supplemental water supplies, with more and more supplemental water required each year. In 1984, the City decided to become self-sufficient again for its water supply and initiated an expansion of the City's water plant. The expansion included construction of a separate wing providing treatment by lime/soda ash softening, as opposed to the existing process involving ion exchange treatment. This initial addition of the lime/soda ash plant consisted of a 4.5 MGD expansion. A second addition to the lime/soda ash plant was completed in 1990. Today, the plant has a combined capacity of 10.5 MGD day. This includes 1.5 MGD for the original ion exchange plant, and 4.5 MGD for each of the two phases of the lime/soda ash plant expansion.

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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

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

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

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

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

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

Waste Collection – The City contracts with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2017, 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 2018 rate was \$12.35 per month for curbside service and \$7.00 per month for dumpster service. The rates increased in September, 2019 to \$12.96 per month for curbside service and \$7.28 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 \$13.39 and the dumpster rate to be \$7.58 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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

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

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

The City's Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and Street Improvement Fund. Assets of these funds comprised \$74,311,642 (63%) of the total governmental fund assets.

General Fund: Fund balance at December 31, 2023 was \$32,943,928, an increase in fund balance of \$3,558,529 from 2022. The increase in fund balance was mainly due to a decrease in the amount transfers out from the prior year, which are used to move unrestricted revenues collected in the General Fund to provide additional resources for current operations, or debt service, or for anticipated capital projects of other funds.

Fire Levy Fund: Fund balance at December 31, 2023 was \$4,188,553, an increase of \$2,729,267 from 2022. The increase in fund balance from the prior year was mainly due to an increase in property and other taxes collected in 2023.

Street Improvement Fund: Fund balance at December 31, 2023 was \$12,630,166, an increase in fund balance of \$580,936 from 2022. This increase was mainly due to the additional grant monies (intergovernmental revenues) that the City received for street repairs and improvements that were completed throughout the City during 2023.

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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

For the General Fund, the final budgeted expenditures were \$35,108,146 and the final actual expenditures were \$31,748,241. The difference was \$3,359,905. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following: the City conservatively budgeted for general services and the police expenditures for 2023. As the City completed the year, its General Fund balance reported an actual fund balance of \$30,010,008, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$138,453,043 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2023 balances compared to 2022:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated					
	2023	2022	2023	2022	2023	2022
Land	\$21,448,073	\$21,428,462	\$1,736,949	\$1,736,949	\$23,185,022	\$23,165,411
Construction in Progress	9,580,975	2,554,170	5,910,077	7,931,912	15,491,052	10,486,082
Buildings and Improvements	50,318,664	49,766,618	56,220,613	52,082,988	106,539,277	101,849,606
Equipment	19,946,339	18,260,332	5,839,505	5,344,247	25,785,844	23,604,579
Infrastructure	116,056,607	116,056,607	45,370,310	42,320,996	161,426,917	158,377,603
Lease Asset	0	0	70,547	141,092	70,547	141,092
Subscription Based Asset	1,081,407	462,607	0	0	1,081,407	462,607
Accumulated Depreciation	(130,752,977)	(126,619,954)	(64,374,046)	(62,379,745)	(195,127,023)	(188,999,699)
Total Net Capital Assets	<u>\$87,679,088</u>	<u>\$81,908,842</u>	<u>\$50,773,955</u>	<u>\$47,178,439</u>	<u>\$138,453,043</u>	<u>\$129,087,281</u>

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

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

Debt

The City had \$7,110,365 in Governmental Activities long-term debt and \$13,054,058 in Business-Type Activities long-term debt.

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City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

Table 4
Outstanding Debt at Year End

	Restated	
	2023	2022
Governmental Activities:		
<u>General Obligation Bonds:</u>		
2017 Refunding of 2009 Various Purpose Golf and Justice Center	\$2,240,000	\$2,590,000
2020 Refunding of A Roadway Improvement Bonds	3,760,000	4,275,000
Premium on Issuances	148,994	200,996
SBITA Liability	961,371	462,607
Total Governmental Activities	<u>\$7,110,365</u>	<u>\$7,528,603</u>
Business Type Activities:		
<u>OWDA Loans from Direct Borrowing:</u>		
OWDA - WWTP Multi-Purpose Facility	\$2,309,197	\$2,071,760
OWDA - Smart Water Metering System	5,911,116	4,519,654
OWDA - Port Union Water Tower	4,762,453	1,738,497
Lease Liability	71,292	141,685
Total Business Type Activities	<u>\$13,054,058</u>	<u>\$8,471,596</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 will be paid with property tax revenues via transfers from the General Fund. See Note 9 to the notes to the basic financial statements for further details on the City's long-term debt.

Economic Factors

Following the Great Recession (2007-2009), the City saw its main revenue source, income tax, stabilize and continue to see slight growth due to strong employment base. The City continued to see income tax growth in 2020 through 2023, despite the economic conditions caused by the COVID-19 pandemic. In fact, the years since 2020 have been strong years for economic growth in the City with numerous positive development announcements and milestones. A boom of speculative industrial development is occurring within the city, creating space for new job creation. All five (5) speculative industrial buildings at Fairfield Commerce Park (totaling 1,600,000 square feet) are now complete. Hilco Vision, a major eye care accessory company, leased the first building and is adding 200 jobs at the site. DSG-Canusa, a high-tech wire insulation firm, leased the final building, bringing Fairfield Commerce Park to full occupancy and creating 65 new jobs in the city. In total, the park is expected to house more than 800 jobs within the next three (3) years. Additional industrial parks are underway, including Seward Pointe property (550,000 square feet) and Trade Center property (600,000 square feet). Smaller speculative industrial projects have added an additional 300,000 square feet to the Fisher Park and Fairfield Commerce Center industrial parks. Recent expansions of existing industrial companies also contributed to this growth, including projects at ART Metals Group, Pacific Manufacturing, and Koch Foods. These three expansions nearing completion retained 2,023 jobs and created 640 new jobs. The Koch Foods project alone represents more than a \$250 million investment. Koch Foods is the City's largest industrial employer (~1,600 jobs) and largest utility user. This project substantially increased water and sewer use at the property, providing additional utility revenue to the City. These investments as well as the recent property revaluation, have resulted in an increase of property tax revenues of 17.4% in the last five (5) years.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

In 2013, the City residents approved a reapportionment to replace the \$1,500,000 in lost revenue from cuts in local funding in the State operating budget and elimination of the estate tax. At that time the City apportioned the income tax to the General, Street Improvement and Capital funds. The reapportionment of the income tax beginning in 2013 became 1.2% to the General fund and 0.15% each to the Street Improvement and Capital Improvement funds. It was understood at the time of the reapportionment should the General fund have available funds above the reserve balance, funds would be transferred back to the Street Improvement and Capital Improvement funds to replace the 0.05%. In 2021, the City replenished the revenue to the Street Improvement and Capital Improvement funds to fund the substantial five-year Capital Improvement Program. The City will continue to do so as long as income tax revenues are sufficient to maintain the General fund operations and reserves.

Contacting the City's Finance Department

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

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City of Fairfield, Ohio
 Statement of Net Position
 December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$91,744,585	\$27,951,035	\$119,695,620
Restricted Cash	0	1,092,433	1,092,433
Receivables (Net):			
Taxes	23,383,103	0	23,383,103
Accounts	311,423	2,795,886	3,107,309
Interest	53,886	45,614	99,500
Intergovernmental	3,928,796	0	3,928,796
Leases	1,831,615	286,962	2,118,577
Inventory	0	247,556	247,556
Nondepreciable Capital Assets	31,029,048	7,647,026	38,676,074
Depreciable Capital Assets, Net	56,650,040	43,126,929	99,776,969
Total Assets	208,932,496	83,193,441	292,125,937
Deferred Outflows of Resources:			
Deferred Charge on Refunding	213,442	0	213,442
Pension	22,096,162	3,089,532	25,185,694
OPEB	3,818,113	493,717	4,311,830
Total Deferred Outflows of Resources	26,127,717	3,583,249	29,710,966
Liabilities:			
Accounts Payable	967,263	2,038,112	3,005,375
Accrued Wages and Benefits	1,785,667	269,442	2,055,109
Contracts Payable	1,221,736	0	1,221,736
Retainage Payable	205,926	169,712	375,638
Accrued Interest Payable	11,155	178,255	189,410
Due to Other Governments	8,102	179,119	187,221
Claims Payable	223,340	1,663	225,003
Other Liabilities	0	249,867	249,867
Unearned Revenue	4,822,618	0	4,822,618
General Obligation Notes Payable	0	5,260,000	5,260,000
Long-Term Liabilities:			
Due Within One Year	2,365,240	982,028	3,347,268
Due In More Than One Year			
Net Pension Liability	57,106,194	7,620,097	64,726,291
Net OPEB Liability	3,377,974	166,640	3,544,614
Other Amounts	8,483,971	12,947,727	21,431,698
Total Liabilities	80,579,186	30,062,662	110,641,848
Deferred Inflows of Resources:			
Property Taxes	11,540,700	0	11,540,700
Grants and Other Taxes	239,307	0	239,307
Leases	1,793,740	286,967	2,080,707
Pension	1,991,101	83,754	2,074,855
OPEB	3,200,377	57,469	3,257,846
Total Deferred Inflows of Resources	18,765,225	428,190	19,193,415
Net Position:			
Net Investment in Capital Assets	80,782,165	32,459,897	113,242,062
Restricted for:			
Debt Service	1,856,158	0	1,856,158
Capital Projects	28,054,495	1,092,433	29,146,928
Street Construction and Maintenance	5,361,309	0	5,361,309
Court Services	5,089,439	0	5,089,439
Public Safety	4,568,833	0	4,568,833
Tax increment Financing Projects	70,790	0	70,790
Grants	137,195	0	137,195
Other Purposes	1,324,241	0	1,324,241
Unrestricted	8,471,177	22,733,508	31,204,685
Total Net Position	\$135,715,802	\$56,285,838	\$192,001,640

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Statement of Activities
 For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$11,244,764	\$2,442,428	\$2,771,682	\$0	(\$6,030,654)	\$0	(\$6,030,654)
Public Safety	29,173,859	1,987,536	1,022,467	0	(26,163,856)	0	(26,163,856)
Community Development	2,687,755	1,559,749	0	308,600	(819,406)	0	(819,406)
Leisure Time Activities	4,905,986	267,004	0	0	(4,638,982)	0	(4,638,982)
Transportation and Street Repair	13,420,437	0	3,461,217	3,662,488	(6,296,732)	0	(6,296,732)
Basic Utility Service	555,039	0	0	0	(555,039)	0	(555,039)
Public Health and Welfare	729,927	0	600,000	0	(129,927)	0	(129,927)
Interest and Other Charges	149,743	0	0	0	(149,743)	0	(149,743)
Total Governmental Activities	62,867,510	6,256,717	7,855,366	3,971,088	(44,784,339)	0	(44,784,339)
Business-Type Activities:							
Water Utility	6,935,239	9,752,027	0	0	0	2,816,788	2,816,788
Sewer Utility	6,986,355	8,500,503	0	0	0	1,514,148	1,514,148
Solid Waste	2,733,330	2,712,188	0	0	0	(21,142)	(21,142)
Recreation	2,341,050	1,918,299	0	0	0	(422,751)	(422,751)
Total Business-Type Activities	18,995,974	22,883,017	0	0	0	3,887,043	3,887,043
Totals	\$81,863,484	\$29,139,734	\$7,855,366	\$3,971,088	(44,784,339)	3,887,043	(40,897,296)
General Revenues:							
Income Taxes				40,404,187		0	40,404,187
Property Taxes Levied for:							
General Purposes				2,082,536		0	2,082,536
Special Revenue Purposes				11,126,996		0	11,126,996
Grants and Entitlements, Not Restricted				1,724,887		0	1,724,887
Revenue in Lieu of Taxes				134,858		0	134,858
Investment Earnings				3,439,857		755,824	4,195,681
Other Revenues				1,773,140		306,133	2,079,273
Transfers-Internal Activities				(350,000)		350,000	0
Total General Revenues and Transfers				60,336,461		1,411,957	61,748,418
Change in Net Position							
				15,552,122		5,299,000	20,851,122
Net Position - Beginning of Year							
				120,163,680		50,986,838	171,150,518
Net Position - End of Year							
				\$135,715,802		\$56,285,838	\$192,001,640

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2023

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$31,284,617	\$4,895,668	\$11,985,721	\$40,078,987	\$88,244,993
Receivables (Net):					
Taxes	10,819,667	10,219,134	1,172,151	1,172,151	23,383,103
Accounts	311,423	0	0	0	311,423
Interest	19,248	2,926	15,814	15,898	53,886
Intergovernmental	774,305	378,806	600,547	2,175,138	3,928,796
Leases	1,831,615	0	0	0	1,831,615
Total Assets	45,040,875	15,496,534	13,774,233	43,442,174	117,753,816
Liabilities:					
Accounts Payable	314,488	36,825	0	598,968	950,281
Accrued Wages and Benefits	1,014,229	620,581	0	116,845	1,751,655
Compensated Absences	1,551	47,675	0	0	49,226
Contracts Payable	0	0	302,709	919,027	1,221,736
Retainage Payable	0	0	0	205,926	205,926
Due to Other Governments	8,102	0	0	0	8,102
Claims Payable	5,961	2,457	0	719	9,137
Unearned Revenue	0	0	0	4,822,618	4,822,618
Total Liabilities	1,344,331	707,538	302,709	6,664,103	9,018,681
Deferred Inflows of Resources:					
Property Taxes	1,442,459	10,219,134	0	0	11,661,593
Income Taxes	6,622,646	0	827,831	827,831	8,278,308
Grants and Other Taxes	565,884	378,806	0	1,647,497	2,592,187
Special Assessments	190,476	0	0	0	190,476
Unavailable Revenue	137,411	2,503	13,527	13,599	167,040
Leases	1,793,740	0	0	0	1,793,740
Total Deferred Inflows of Resources	10,752,616	10,600,443	841,358	2,488,927	24,683,344
Fund Balances:					
Restricted	0	4,188,553	12,630,166	26,909,077	43,727,796
Assigned	469,977	0	0	7,380,067	7,850,044
Unassigned	32,473,951	0	0	0	32,473,951
Total Fund Balances	32,943,928	4,188,553	12,630,166	34,289,144	84,051,791
Total Liabilities, Deferred Inflows and Fund Balances	\$45,040,875	\$15,496,534	\$13,774,233	\$43,442,174	\$117,753,816

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, 2023

Total Governmental Fund Balance	\$84,051,791
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	87,679,088
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Income Taxes	8,278,308
Delinquent Property Taxes	120,893
Interest	46,093
Intergovernmental	2,352,880
Other Receivables	<u>311,423</u>
	11,109,597
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	2,640,771
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.	
	(11,155)
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	(3,567,654)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.	
	213,442
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	21,760,765
Deferred inflows of resources related to pensions	(1,982,009)
Deferred outflows of resources related to OPEB	3,764,516
Deferred inflows of resources related to OPEB	<u>(3,194,138)</u>
	20,349,134
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Net Pension Liability	(56,278,963)
Net OPEB Liability	(3,359,884)
Other Amounts	<u>(7,110,365)</u>
	<u>(66,749,212)</u>
Net Position of Governmental Activities	<u>\$135,715,802</u>

See accompanying notes to the basic financial statements.

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City of Fairfield, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

For the Fiscal Year Ended December 31, 2023

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$2,081,556	\$11,153,287	\$0	\$0	\$13,234,843
Income Taxes	31,951,703	0	4,044,695	4,044,695	40,041,093
Charges for Services	1,940,919	1,552,097	0	0	3,493,016
Investment Earnings	1,738,615	125,901	346,680	1,210,624	3,421,820
Intergovernmental	2,013,542	991,110	3,683,852	6,836,339	13,524,843
Special Assessments	68,417	0	0	0	68,417
Fines, Licenses & Permits	2,104,255	5,625	0	738,960	2,848,840
Revenue in Lieu of Taxes	0	0	0	134,858	134,858
Other Revenues	679,009	11,142	417,859	104,073	1,212,083
Total Revenues	42,578,016	13,839,162	8,493,086	13,069,549	77,979,813
Expenditures:					
Current:					
General Government	8,759,638	0	0	1,204,238	9,963,876
Public Safety	13,991,001	11,109,895	0	48,719	25,149,615
Community Development	1,580,678	0	0	1,002,499	2,583,177
Leisure Time Activities	3,382,280	0	0	305,754	3,688,034
Transportation and Street Repair	0	0	3,697,526	7,002,936	10,700,462
Basic Utility Service	555,039	0	0	0	555,039
Public Health and Welfare	20,134	0	0	709,793	729,927
Capital Outlay	659,829	0	5,000,520	5,776,334	11,436,683
Debt Service:					
Principal	120,036	0	0	865,000	985,036
Interest and Other Charges	0	0	0	147,426	147,426
Total Expenditures	29,068,635	11,109,895	8,698,046	17,062,699	65,939,275
Excess of Revenues Over (Under) Expenditures	13,509,381	2,729,267	(204,960)	(3,993,150)	12,040,538
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	96,331	96,331
Proceeds of Subscription Based Information Technology Arrangements	618,800	0	0	0	618,800
Transfers In	0	0	785,896	8,928,756	9,714,652
Transfers (Out)	(10,569,652)	0	0	0	(10,569,652)
Total Other Financing Sources (Uses)	(9,950,852)	0	785,896	9,025,087	(139,869)
Net Change in Fund Balance	3,558,529	2,729,267	580,936	5,031,937	11,900,669
Fund Balance - Beginning of Year	29,385,399	1,459,286	12,049,230	29,257,207	72,151,122
Fund Balance - End of Year	\$32,943,928	\$4,188,553	\$12,630,166	\$34,289,144	\$84,051,791

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, 2023

Net Change in Fund Balance - Total Governmental Funds \$11,900,669

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	11,455,809
Depreciation Expense	<u>(5,630,335)</u>
	5,825,474

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. (55,228)

Governmental funds report pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

Pension Contributions	4,141,033
Pension Expense	<u>(7,733,697)</u>
OPEB Contributions	68,647
OPEB Expense	<u>260,271</u>
	(3,263,746)

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

Income Taxes	363,094
Delinquent Property Taxes	<u>(25,311)</u>
Interest	18,038
Intergovernmental	335,572
Other	<u>57,323</u>
	748,716

Repayment of bond, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 985,036

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 1,663

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	(267,216)
Amortization of Bond Premium	52,002
Amortization of Deferred Charge on Refunding	<u>(55,982)</u>
	(271,196)

(Continued)

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, 2023

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	299,534
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Proceeds from debt issues, including leases and SBITA, are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

	<u>(618,800)</u>
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Change in Net Position of Governmental Activities	<u>\$15,552,122</u>
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See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Statement of Net Position
 Proprietary Funds
 December 31, 2023

	Business-Type Activities				Governmental Activities	
	Enterprise Funds					
	Water Utility	Sewer Utility	Other Enterprise Funds	Total Business-Type Activities		
Current Assets:						
Equity in Pooled Cash and Investments	\$12,451,271	\$13,790,292	\$1,709,472	\$27,951,035	\$3,499,592	
Restricted Cash	1,092,433	0	0	1,092,433	0	
Receivables (Net):						
Accounts	1,176,274	1,250,935	368,677	2,795,886	0	
Interest	19,866	25,748	0	45,614	0	
Leases	286,962	0	0	286,962	0	
Inventory	220,819	0	26,737	247,556	0	
Total Current Assets	15,247,625	15,066,975	2,104,886	32,419,486	3,499,592	
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	6,208,785	931,241	507,000	7,647,026	0	
Depreciable Capital Assets, Net	19,386,925	21,474,099	2,265,905	43,126,929	0	
Total Noncurrent Assets	25,595,710	22,405,340	2,772,905	50,773,955	0	
Total Assets	40,843,335	37,472,315	4,877,791	83,193,441	3,499,592	
Deferred Outflows of Resources:						
Pension	1,227,711	1,357,804	504,017	3,089,532	335,397	
OPEB	196,192	216,981	80,544	493,717	53,597	
Total Deferred Outflows of Resources	1,423,903	1,574,785	584,561	3,583,249	388,994	
Liabilities:						
Current Liabilities:						
Accounts Payable	975,709	564,620	497,783	2,038,112	16,982	
Accrued Wages and Benefits	112,871	126,840	29,731	269,442	34,012	
Compensated Absences	99,341	167,270	22,563	289,174	18,570	
Retainage Payable	64,920	104,792	0	169,712	0	
Accrued Interest Payable	155,211	23,044	0	178,255	0	
Due to Other Governments	0	179,119	0	179,119	0	
Leases Payable	0	0	71,292	71,292	0	
Claims Payable	674	734	255	1,663	214,203	
Other Liabilities	249,867	0	0	249,867	0	
General Obligation Notes Payable	4,580,000	680,000	0	5,260,000	0	
Long-Term Liabilities Due Within One Year	247,406	374,156	0	621,562	0	
Total Current Liabilities	6,485,999	2,220,575	621,624	9,328,198	283,767	
Long-Term Liabilities:						
Compensated Absences	237,708	326,585	22,230	586,523	103,396	
Bonds, Notes & Loans Payable	7,470,605	4,890,599	0	12,361,204	0	
Net Pension Liability	3,028,056	3,348,920	1,243,121	7,620,097	827,231	
Net OPEB Liability	66,219	73,236	27,185	166,640	18,090	
Total Noncurrent Liabilities	10,802,588	8,639,340	1,292,536	20,734,464	948,717	
Total Liabilities	17,288,587	10,859,915	1,914,160	30,062,662	1,232,484	
Deferred Inflows of Resources:						
Leases	286,967	0	0	286,967	0	
Pension	33,282	36,809	13,663	83,754	9,092	
OPEB	22,837	25,257	9,375	57,469	6,239	
Total Deferred Inflows of Resources	343,086	62,066	23,038	428,190	15,331	
Net Position:						
Net Investment in Capital Assets	13,297,699	16,460,585	2,701,613	32,459,897	0	
Restricted for:						
Capital Projects	1,092,433	0	0	1,092,433	0	
Unrestricted	10,245,433	11,664,534	823,541	22,733,508	2,640,771	
Total Net Position	\$24,635,565	\$28,125,119	\$3,525,154	\$56,285,838	\$2,640,771	

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds	Total Business-Type Activities	
				Internal Service Funds	
Operating Revenues:					
Charges for Services	\$9,752,027	\$8,500,503	\$4,630,487	\$22,883,017	\$7,841,764
Other Revenues	172,152	80,098	53,883	306,133	3,759
Total Operating Revenues	9,924,179	8,580,601	4,684,370	23,189,150	7,845,523
Operating Expenses:					
Personal Services	2,448,133	3,085,874	962,385	6,496,392	663,862
Contractual Services	2,164,507	2,227,590	3,372,784	7,764,881	6,997,282
Materials and Supplies	1,049,018	410,660	457,835	1,917,513	392,721
Depreciation	1,088,084	1,220,841	279,949	2,588,874	0
Total Operating Expenses	6,749,742	6,944,965	5,072,953	18,767,660	8,053,865
Operating Income (Loss)	3,174,437	1,635,636	(388,583)	4,421,490	(208,342)
Non-Operating Revenues (Expenses):					
Investment Earnings	268,290	474,795	12,739	755,824	2,876
Interest (Expense)	(190,197)	(41,390)	(1,427)	(233,014)	0
Gain on Disposal of Capital Assets	4,700	0	0	4,700	0
Total Non-Operating Revenues (Expenses)	82,793	433,405	11,312	527,510	2,876
Income (Loss) Before Contributions and Transfers	3,257,230	2,069,041	(377,271)	4,949,000	(205,466)
Transfers In	0	0	350,000	350,000	505,000
Change in Net Position	3,257,230	2,069,041	(27,271)	5,299,000	299,534
Net Position - Beginning of Year	21,378,335	26,056,078	3,552,425	50,986,838	2,341,237
Net Position - End of Year	<u>\$24,635,565</u>	<u>\$28,125,119</u>	<u>\$3,525,154</u>	<u>\$56,285,838</u>	<u>\$2,640,771</u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Statement of Cash Flows
 Proprietary Funds
 For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds	Total Business-Type Activities	Internal Service Funds
Cash Flows from Operating Activities:					
Cash Received from Customers	\$9,843,050	\$8,467,378	\$4,669,144	\$22,979,572	\$7,845,523
Cash Payments to Employees	(2,600,835)	(2,984,840)	(919,999)	(6,505,674)	(693,163)
Cash Payments to Suppliers	(3,464,245)	(3,615,987)	(3,807,433)	(10,887,665)	(424,592)
Cash Payments for Claims	0	0	0	0	(6,806,205)
Net Cash Provided (Used) by Operating Activities	3,777,970	1,866,551	(58,288)	5,586,233	(78,437)
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	350,000	350,000	505,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	350,000	350,000	505,000
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(3,994,566)	(2,059,009)	(130,815)	(6,184,390)	0
Debt Proceeds	8,299,687	1,729,314	0	10,029,001	0
Debt and Lease Principal Payments	(4,580,000)	(1,136,146)	(70,393)	(5,786,539)	0
Debt and Lease Interest Payments	(112,592)	(35,629)	(1,427)	(149,648)	0
Gain on the Disposal of Capital Assets	4,700	0	0	4,700	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(382,771)	(1,501,470)	(202,635)	(2,086,876)	0
Cash Flows from Investing Activities:					
Earnings on Investments	265,675	463,576	12,856	742,107	2,876
Net Cash Provided (Used) by Cash Flows from Investing Activities	265,675	463,576	12,856	742,107	2,876
Net Increase (Decrease) in Cash and Cash Equivalents	3,660,874	828,657	101,933	4,591,464	429,439
Cash and Cash Equivalents - Beginning of Year	9,882,830	12,961,635	1,607,539	24,452,004	3,070,153
Cash and Cash Equivalents - End of Year	13,543,704	13,790,292	1,709,472	29,043,468	3,499,592
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	3,174,437	1,635,636	(388,583)	4,421,490	(208,342)
Adjustments:					
Depreciation	1,088,084	1,220,841	279,949	2,588,874	0
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(108,339)	(113,223)	(15,226)	(236,788)	0
(Increase) Decrease in Inventory	57,581	0	(3,817)	53,764	0
(Increase) Decrease in Deferred Outflows of Resources	(1,017,582)	(1,166,241)	(436,258)	(2,620,081)	(278,265)
(Increase) Decrease in Net OPEB Asset	360,984	362,960	131,756	855,700	98,374
Increase (Decrease) in Claims Payable	(392)	(338)	(264)	(994)	169,363
Increase (Decrease) in Retainage Payable	(371,542)	(359,341)	0	(730,883)	0
Increase (Decrease) in Other Liabilities	2,375	0	0	2,375	0
Increase (Decrease) in Payables	101,741	(618,396)	27,003	(489,652)	(10,254)
Increase (Decrease) in Accrued Liabilities	(62,137)	18,542	(3,066)	(46,661)	(5,793)
Increase (Decrease) in Deferred Inflows of Resources	(1,570,299)	(1,559,514)	(565,603)	(3,695,416)	(424,170)
Increase (Decrease) in Net Pension Liability	2,056,840	2,372,389	888,636	5,317,865	562,560
Increase (Decrease) in Net OPEB Liability	66,219	73,236	27,185	166,640	18,090
Net Cash Provided (Used) by Operating Activities	\$3,777,970	\$1,866,551	(\$58,288)	\$5,586,233	(\$78,437)

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	\$250,200
Receivables (Net):	
Accounts	<u>275,475</u>
Total Assets	<u>525,675</u>
Liabilities:	
Accounts Payable	<u>136,283</u>
Total Liabilities	<u>136,283</u>
Net Position:	
Restricted for:	
Individuals, Organizations, and Other Governments	62,409
Economic Development	<u>326,983</u>
Total Net Position	<u>\$389,392</u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2023

	Custodial Funds
Additions:	
Investment Earnings	\$209
Municipal Court Receipts	1,217,430
Joint Economic Development District Receipts	<u>2,474,825</u>
 Total Additions	 <u>3,692,464</u>
 Deductions:	
Municipal Court Disbursements	1,248,358
Joint Economic Development District Disbursements	<u>2,562,978</u>
 Total Deductions	 <u>3,811,336</u>
 Change in Net Position	 (118,872)
 Net Position - Beginning of Year	 <u>508,264</u>
 Net Position - End of Year	 <u><u>\$389,392</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, 2023

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) and Fairfield Township Joint Economic Development District (JEDD). These joint ventures are presented in Note 18.

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, 2023

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 custodial funds.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, liabilities and deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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.

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

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).

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Fiduciary Funds

The Custodial Fiduciary Funds are used to account for the collection and disbursement of monies by the City on behalf of other individuals, organizations or other governmental entities. The following are the City's custodial fiduciary funds, the Municipal Court Fund and two Joint Economic Joint District Funds. The Municipal Court Fund accounts for activity relating to the City's Municipal Court. The West Chester Joint Economic Development District 1 and the Fairfield Township Joint Economic Development District 1 accounts for the activities relating to each Joint Economic Development Districts (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.

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.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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 assets that applies to a future periods 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, pension, and other post employment benefits 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. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

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 assets that applies to a future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, grants and other taxes, leases, special assessments, pension, OPEB, and unavailable revenue (account and investment revenue). Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, while income taxes, special assessments, and unavailable revenue are only included on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13.)

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

For purposes of the statement of cash flows and for presentation on the statement of net 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2023 amounted to \$1,738,615 in the general fund, \$125,901 in the fire levy fund, \$346,680 in the street improvement fund and \$1,210,624 in other governmental funds.

Lease Asset

A lease asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The amortization period of the lease asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. At the termination of the lease, the lease asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

Subscription Based Information Technology Arrangement Asset

A subscription asset is a subscriber's right to use an asset over the life of a subscription-based information technology arrangement (SBITA). The asset is calculated as the initial subscription liability, plus any payments made to the SBITA supplier before commencement of the subscription term, and any capitalizable implementation costs. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term. Preliminary project activity outlays for costs such as selecting a SBITA supplier are expensed as incurred. Initial implementation costs, including ancillary charges to place the subscription asset into service, are capitalized. Operational and any subsequent implementation activities are expensed as incurred unless they meet specific capitalization criteria. At the termination of the subscription, the subscription asset and associated liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City will capitalize capital assets with a cost of \$5,000 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 and long-term loans are recognized as a liability on the fund financial statements when due.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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 \$47,554,893 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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 for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2023, \$27,393,101 of the City's bank balance of \$27,714,637 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2023:

Investment Type	Fair Value Measurements Using		Net Asset Value*	Weighted Average Maturity (Years)
	Net Asset Value* / Fair Value	Significant Other Observable Inputs Level 2		
STAR Ohio*	\$48,460,032		\$48,460,032	0.13
Commercial Paper	9,741,273	\$9,741,273		0.46
Federal National Mortgage Association	961,362	961,362		0.88
Federal Farm Credit Bank	2,648,270	2,648,270		1.62
Federal Home Loan Bank	5,737,993	5,737,993		1.55
Negotiable Certificate of Deposit	11,144,709	11,144,709		1.63
Federal Home Loan Mortgage Corporation	1,261,970	1,261,970		1.87
US Treasury Note	693,746	693,746		1.30
Municipal Bonds	1,469,195	1,469,195		2.03
Money Market Funds	12,142,618		12,142,618	0.00
	\$94,261,168	\$33,658,518	\$60,602,650	
Portfolio Weighted Average Maturity				0.52

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs.

The above table identifies the City's recurring fair value measurements as of December 31, 2023. STAROhio is reported at its share price (Net Asset value per share) and there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Municipal Bonds, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, Federal Farm Credit Bank and US Treasury Notes were rated AA+ by Standard and Poor's and Aaa by Moody's. Investments in Commercial Paper were rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Investments in STAROhio were rated AAA by Standard & Poors. Negotiable CDs and Money Market Funds are not rated.

Concentration of Credit Risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 1% in US Treasury Notes, 2% in Municipal Bonds, 1% in Federal National Mortgage Association, 1% in Federal Home Loan Mortgage Corporation, 3% in Federal Farm Credit Bank, 6% in Federal Home Loan Bank, 10% in Commercial Paper, 12% in Negotiable CDs, 51% in STAR Ohio, and 13% in Money Market Funds.

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, leases, 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 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, 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

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2023

payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Real Property	\$1,474,774,460
Public Utility	66,473,040
Total Valuation	<u>\$1,541,247,500</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, 2023, 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 2023 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 and one-half percent (1.5%) 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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

Claim Liabilities

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

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

Unpaid Claim Liabilities

The following represent the changes in workers compensation, dental, and health claims payable for the City from January 1, 2022 to December 31, 2023:

Claims Liability, 1/1/2022	\$169,618
Claims net of changes in estimates	2,225,932
Payments	<u>(2,335,170)</u>
Claims Liability, 12/31/2022	60,380
Claims net of changes in estimates	2,876,643
Payments	<u>(2,712,020)</u>
Claims Liability, 12/31/2023	<u><u>\$225,003</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
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$21,428,462	\$19,611	\$0	\$21,448,073
Construction in Progress	2,554,170	7,026,805	0	9,580,975
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	49,766,618	568,517	16,471	50,318,664
Equipment	18,260,332	3,222,076	1,536,069	19,946,339
Infrastructure	<u>116,056,607</u>	<u>0</u>	<u>0</u>	<u>116,056,607</u>
Totals at Historical Cost	<u>208,066,189</u>	<u>10,837,009</u>	<u>1,552,540</u>	<u>217,350,658</u>
Less Accumulated Depreciation:				
Buildings and Improvements	33,764,545	1,443,631	12,200	35,195,976
Equipment	14,457,228	1,521,039	1,485,112	14,493,155
Infrastructure	<u>78,398,181</u>	<u>2,550,013</u>	<u>0</u>	<u>80,948,194</u>
Total Accumulated Depreciation	<u>126,619,954</u>	<u>5,514,683</u>	<u>1,497,312</u>	<u>130,637,325</u>
Capital Assets, Net	<u>81,446,235</u>	<u>5,322,326</u>	<u>55,228</u>	<u>86,713,333</u>
Subscription Based Asset (SBITA)	462,607	618,800	0	1,081,407
Less Accumulated Depreciation:				
Subscription Based Asset	<u>0</u>	<u>115,652</u>	<u>0</u>	<u>115,652</u>
Subscription Based Asset, Net	<u>462,607</u>	<u>503,148</u>	<u>0</u>	<u>965,755</u>
Total Governmental Activities Capital Assets, Net	<u>\$81,908,842</u>	<u>\$5,825,474</u>	<u>\$55,228</u>	<u>\$87,679,088</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$566,910
Public Safety	1,450,272
Leisure Time Activities	1,038,548
Community Development	7,723
Transportation	2,566,882
Total Depreciation Expense	<u>\$5,630,335</u>

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,736,949	\$0	\$0	\$1,736,949
Construction in Progress	7,931,912	4,955,950	6,977,785	5,910,077
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	52,082,988	4,137,625	0	56,220,613
Equipment	5,344,247	1,019,285	524,027	5,839,505
Infrastructure	42,320,996	3,049,314	0	45,370,310
Totals at Historical Cost	109,417,092	13,162,174	7,501,812	115,077,454
Less Accumulated Depreciation:				
Buildings and Improvements	33,353,636	1,109,048	0	34,462,684
Equipment	4,130,925	412,849	524,027	4,019,747
Infrastructure	24,895,184	996,431	0	25,891,615
Total Accumulated Depreciation	62,379,745	2,518,328	524,027	64,374,046
Capital Assets, Net	47,037,347	10,643,846	6,977,785	50,703,408
<i>Lease Assets:</i>				
Equipment	211,638	0	0	211,638
Lease Asset	211,638	0	0	211,638
Less: Accumulated Amortization	70,546	70,545	0	141,091
Lease Asset, net	141,092	(70,545)	0	70,547
Total Business-type Activities Capital Assets, Net	\$47,178,439	\$10,573,301	\$6,977,785	\$50,773,955

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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:

	Beginning Balance	Issued	Retired	Ending Balance
Water Utility Fund:				
Various Purpose Series 2023	4.13%	\$0	\$3,320,000	\$0
Various Purpose Series 2023	4.13%	0	1,260,000	0
Various Purpose Series 2022	2.50%	1,980,000	0	1,980,000
Various Purpose Series 2022	2.50%	1,600,000	0	1,600,000
Various Purpose Series 2022	2.50%	1,000,000	0	1,000,000
Sewer Utility Fund:				
Various Purpose Series 2023	4.13%	0	680,000	0
Various Purpose Series 2022	2.50%	1,020,000	0	1,020,000
Total Notes Payable	\$5,600,000	\$5,260,000	\$5,600,000	\$5,260,000

The City issued a combined \$5,260,000 in short-term bond anticipation notes for the purpose of financing the City's cost of construction improvements to the water and sewer systems.

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

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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:

		Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
<u>General Obligation Bonds</u>						
2017 Refunding of 2009 Various Purpose						
Golf and Justice Center	2.00%	\$2,590,000	\$0	(\$350,000)	\$2,240,000	\$345,000
2020 Refunding of A Roadway						
Improvement Bonds	3.74%	4,275,000	0	(515,000)	3,760,000	515,000
Premium on Issuances		200,996	0	(52,002)	148,994	0
Total General Obligation Bonds		<u>7,065,996</u>	<u>0</u>	<u>(917,002)</u>	<u>6,148,994</u>	<u>860,000</u>
Net Pension Liability		31,098,140	26,008,054	0	57,106,194	0
Net OPEB Liability		4,550,820	0	(1,172,846)	3,377,974	0
Total Net Pension/OPEB Liability		<u>35,648,960</u>	<u>26,008,054</u>	<u>(1,172,846)</u>	<u>60,484,168</u>	<u>0</u>
SBITA Liability		462,607	618,800	(120,036)	961,371	260,579
Compensated Absences		<u>3,617,090</u>	<u>1,424,639</u>	<u>(1,302,883)</u>	<u>3,738,846</u>	<u>1,244,661</u>
Total Governmental Activities		<u><u>\$46,794,653</u></u>	<u><u>\$28,051,493</u></u>	<u><u>(\$3,512,767)</u></u>	<u><u>\$71,333,379</u></u>	<u><u>\$2,365,240</u></u>
<u>Business Type Activities</u>						
<u>OWDA Loans from Direct Borrowing</u>						
OWDA #9261 - WWTP Multi-Purpose Facility	0.43%	\$2,071,760	\$353,583	(\$116,146)	\$2,309,197	\$126,750
OWDA #9870 - Smart Water Metering System	3.05%	4,519,654	1,391,462	0	5,911,116	494,812
OWDA #9871 - Port Union Water Tower	3.17%	<u>1,738,497</u>	<u>3,023,956</u>	<u>0</u>	<u>4,762,453</u>	<u>0</u>
Total OWDA Loans from Direct Borrowing		<u>8,329,911</u>	<u>4,769,001</u>	<u>(116,146)</u>	<u>12,982,766</u>	<u>621,562</u>
Net Pension Liability		2,302,232	5,317,865	0	7,620,097	0
Net OPEB Liability		<u>0</u>	<u>166,640</u>	<u>0</u>	<u>166,640</u>	<u>0</u>
Total Net Pension/OPEB Liability		<u>2,302,232</u>	<u>5,484,505</u>	<u>0</u>	<u>7,786,737</u>	<u>0</u>
Lease Liability		141,685	0	(70,393)	71,292	71,292
Compensated Absences		<u>920,400</u>	<u>198,842</u>	<u>(243,545)</u>	<u>875,697</u>	<u>289,174</u>
Total Business-Type Activities		<u><u>\$11,694,228</u></u>	<u><u>\$10,452,348</u></u>	<u><u>(\$430,084)</u></u>	<u><u>\$21,716,492</u></u>	<u><u>\$982,028</u></u>

The City's bonds and loans will be paid from the General Bond Retirement Fund, Water Utility Fund and the Sewer Utility 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. There are no repayment schedules for the net pension and OPEB liabilities; however, employer contributions are made from the fund benefiting from the related employees' services. In the past, contributions have been paid primarily by the General, Water Utility, Sewer Utility and the remainder by the other governmental, other enterprise, and internal service funds. See Notes 12 and 13 for further information related to the net pension and OPEB liabilities.

The City's outstanding OWDA loans from direct borrowings of \$12,982,766 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate equal to the Contract Interest Rate plus three percentage points annum until the date of payment, and outstanding amounts become immediately due. The full amount of the Port Union Water Tower OWDA loan was not disbursed as of year-end and an amortization schedule is not available.

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

Year Ending December 31	General Obligation Bonds		OWDA Loans from Direct Borrowing*	
	Principal	Interest	Principal	Interest
2024	\$860,000	\$132,232	\$621,562	\$95,109
2025	870,000	111,634	438,086	182,628
2026	900,000	97,770	448,452	172,262
2027	920,000	76,108	459,125	161,589
2028	935,000	53,780	470,113	150,601
2029-2033	1,515,000	38,244	2,527,079	576,491
2034-2038	0	0	2,854,848	248,722
2039-2043	0	0	401,048	9,794
Total	<u>\$6,000,000</u>	<u>\$509,768</u>	<u>\$8,220,313</u>	<u>\$1,597,196</u>

*-Does not include Port Union Water Tower OWDA loan not fully disbursed

Note 10 – Subscription-Based Information Technology Arrangement (SBITA) Liability

In prior years and in the current year, the City has entered into contracts that conveys the control of the right to use their nonfinancial assets (the underlying assets) for subscription software as specified in the contract for a period of time. The basis and terms of the prior year contract was for 6 years after the commencement date, while the current year contract is for 4 years after the commencement date. During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the SBITA liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the SBITA liability during the period. There were no commitments under SBITA before the commencement of the lease term.

Principal and interest amounts for the next three years and thereafter are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$260,579	\$8,695	\$269,274
2025	258,949	17,787	276,736
2026	273,357	11,214	284,571
2027	168,486	4,277	172,763
	<u>\$961,371</u>	<u>\$41,973</u>	<u>\$1,003,344</u>

Note 11 – 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, 2023 was \$155,147. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2023

Note 12 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2023

system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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City of Fairfield, Ohio
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<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits

City of Fairfield, Ohio
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must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2023 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

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

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

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$1,886,483, of this amount \$156,357 is reported in accrued wages and benefits.

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2023

Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

City of Fairfield, Ohio
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Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,901,900 for 2023, of this amount \$258,293 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

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	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$24,616,900	\$40,109,391	\$64,726,291
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08333400%	0.42224720%	
Prior Measurement Date	0.08576400%	0.41518820%	
Change in Proportionate Share	<u>-0.00243000%</u>	<u>0.00705900%</u>	
Pension Expense	\$3,120,052	\$5,672,623	\$8,792,676

At December 31 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		
	Traditional Plan	OPF	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$817,670	\$601,623	\$1,419,293
Changes in assumptions	260,060	3,617,729	3,877,789
Net difference between projected and actual earnings on pension plan investments	7,016,591	5,839,435	12,856,026
Changes in employer proportionate share of net pension liability	0	2,244,203	2,244,203
Contributions subsequent to the measurement date	1,886,483	2,901,900	4,788,383
Total Deferred Outflows of Resources	\$9,980,804	\$15,204,890	\$25,185,694
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$913,810	\$913,810
Changes in assumptions	0	782,122	782,122
Changes in employer proportionate share of net pension liability	270,569	108,354	378,923
Total Deferred Inflows of Resources	\$270,569	\$1,804,286	\$2,074,855

\$4,788,383 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		
	Traditional Plan	OPF	Total
2024	\$764,923	\$1,473,917	\$2,238,840
2025	1,556,289	2,569,248	4,125,537
2026	2,065,324	2,787,923	4,853,247
2027	3,437,216	3,683,992	7,121,208
2028	0	(16,376)	(16,376)
Total	\$7,823,752	\$10,498,704	\$18,322,456

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Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

OPERS Traditional Plan	
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

City of Fairfield, Ohio
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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$36,875,295	\$24,616,900	\$14,420,115

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Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing

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return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$52,912,026	\$40,109,391	\$29,466,560

Note 13 – Postemployment Benefits

Net OPEB Liability

See Note 12 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

Plan Description

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees - Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees - Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A - 30 years of qualifying service credit at any age;

Group B - 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C - 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation

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that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Funding Policy

The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

Ohio Police & Fire Pension Fund (OP&F)

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 health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$68,647 for 2023.

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Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net OPEB Liability	\$538,337	\$3,006,277	\$3,544,614
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.08538000%	0.42224720%	
Prior Measurement Date	<u>0.08854700%</u>	<u>0.41518820%</u>	
Change in Proportionate Share	<u>-0.00316700%</u>	<u>0.00705900%</u>	
OPEB Expense	(\$1,155,239)	\$498,304	(\$656,935)

At December 31 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$179,396	\$179,396
Changes in assumptions	525,806	1,498,164	2,023,970
Net difference between projected and actual earnings on pension plan investments	1,069,158	257,849	1,327,007
Changes in employer proportionate share of net OPEB liability	0	712,810	712,810
Contributions subsequent to the measurement date	0	68,647	68,647
Total Deferred Outflows of Resources	<u>\$1,594,964</u>	<u>\$2,716,866</u>	<u>\$4,311,830</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$134,282	\$592,778	\$727,060
Changes in assumptions	43,265	2,458,890	2,502,155
Changes in employer proportionate share of net OPEB liability	8,108	20,523	28,631
Total Deferred Inflows of Resources	<u>\$185,655</u>	<u>\$3,072,191</u>	<u>\$3,257,846</u>

\$68,647 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS		
	Traditional Plan	OPF	Total
2024	\$169,181	\$211,870	\$381,051
2025	390,237	209,319	599,556
2026	333,398	(75,989)	257,409
2027	516,493	(18,152)	498,341
2028	0	(197,997)	(197,997)
Thereafter	0	(553,023)	(553,023)
Total	\$1,409,309	(\$423,972)	\$985,337

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average
		Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u><u>100.00%</u></u>	

Discount Rate

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond

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rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.22%)	(5.22%)	(6.22%)
Proportionate share of the net OPEB Liability	\$1,832,255	\$538,337	(\$529,356)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Proportionate share of the net OPEB liability	\$504,596	\$538,337	\$576,315

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include

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assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

For 2021, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2021.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	Current		
	1% Decrease (3.27%)	Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$3,701,949	\$3,006,277	\$2,418,953

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 14 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

Project	Spent-to-date	Commitment Remaining
Port Union Water Tower	\$4,698,971	\$786,480
Harbin Park Renovations	621,983	3,376,175
Raw Water Supply Well Installation	423,368	683,696
Aeration System Improvements	206,902	6,509,398
Bruton Parish Way Culvert Replacement	5,300	314,302
Total	<u>\$5,956,524</u>	<u>\$11,670,051</u>

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance.

At year end, the City's commitments for encumbrances were as follows:

Fund	Amount
General	\$784,466
Fire Levy	12,501
Street Improvement	922,508
Water Utility	2,016,833
Sewer Utility	7,775,918
Nonmajor Funds	<u>11,975,109</u>
Total	<u>\$23,487,335</u>

Note 15 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2023, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

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

Transfers in and out for the year end, consisted of the following:

	Transfers	
	In	Out
Major Funds:		
General	\$0	\$10,569,652
Street Improvement	785,896	0
Other Governmental Funds	8,928,756	0
Other Enterprise Funds	350,000	0
Internal Service Funds	505,000	0
Totals	\$10,569,652	\$10,569,652

The General Fund transfers amounts to other funds to cover street maintenance, state highway, recreation, debt service, municipal garage, and other programs throughout the City. The transfers were also used to pay for capital improvement projects and construction of capital assets.

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

Note 17 – Lease – Lessor Disclosure

The City collectively (the “lessor”) entered into an agreement to lease building space and multiple agreements for cell tower space/land. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at various discounted rates.

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Details of each lease are presented below:

The lease for Lane Public Library (building space) was as follows:

<u>Lease Year</u>	<u>Annual Rent</u>
2024	\$45,981
2025	47,161
2026	48,372
2027	49,615
2028	50,889
2029-2031	<u>142,184</u>
	<u><u>\$384,202</u></u>

The leases for AT&T, Crown Castle/T-Mobile, T-Mobile, American Tower and Verizon (cell tower space/land) was as follows:

<u>Lease Year</u>	Crown Castle/						
	AT&T	T-Mobile	T-Mobile (B-5)	T-Mobile (B-7)	American Tower	Verizon	Total
<u>Annual Rent</u>							
2024	\$11,947	\$12,811	\$15,451	\$4,226	\$5,240	\$13,378	\$63,053
2025	12,254	13,140	15,848	4,458	5,527	13,406	64,633
2026	12,568	13,477	16,255	4,702	5,830	13,435	66,267
2027	12,891	13,823	16,672	4,960	6,150	13,463	67,959
2028	13,222	14,178	17,100	8,005	8,471	13,492	74,468
2029-2033	71,381	76,543	92,317	50,154	52,029	67,887	410,311
2034-2038	81,029	49,342	82,760	82,810	80,332	68,608	444,881
2039-2043	87,100	0	0	127,183	102,857	69,337	386,477
2044-2047	0	0	0	142,370	0	13,956	156,326
	<u>\$302,392</u>	<u>\$193,314</u>	<u>\$256,403</u>	<u>\$428,868</u>	<u>\$266,436</u>	<u>\$286,962</u>	<u>\$1,734,375</u>

The City recognized \$174,435 in lease revenues and \$64,941 interest revenues from lease activity for 2023.

Note 18 – Joint Ventures

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Net Distribution for the first 120 months of the contract:

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

Net Distribution after the first 120 months of the contract:

90% West Chester Township
10% City of Fairfield

Fairfield Township and the City of Fairfield contracted to create the Fairfield Township Joint Economic Development District (JEDD), for the purpose of facilitating economic development to create jobs and employment opportunities and improve the economic welfare of the people of the State of Ohio, and in the area of the contracting parties through economic development. The district is comprised of 146 acres, located to the southwest of the intersection of Tylersville Road and Seward Road, and has a 1.5% income tax rate beginning April 22, 2022 (59 acres), and February 27, 2023 (89 acres). For more information and a copy of the financial statements, contact the City of Fairfield.

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

Distribution of Gross Tax:

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

Net Distribution:

75% Fairfield Township
25% City of Fairfield

Note 19 – Accountability

Accountability

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

Municipal Garage \$604,683

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 20 – 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:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

<u>Fund Balances</u>	<u>General</u>	<u>Fire Levy</u>	<u>Street Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:					
Street Improvements	\$0	\$0	\$12,630,166	\$4,279,830	\$16,909,996
County Motor Vehicle Registration	0	0	0	180,074	180,074
Probation Services	0	0	0	2,560,008	2,560,008
Court Computer	0	0	0	1,017,294	1,017,294
Special Projects	0	0	0	266,592	266,592
Mediation Services	0	0	0	903,632	903,632
Tax Recreation	0	0	0	31,642	31,642
Law Enforcement	0	0	0	373,768	373,768
Drug and Alcohol Treatment	0	0	0	185,517	185,517
Capital Improvements	0	0	0	5,893,231	5,893,231
TIF Monies	0	0	0	411,952	411,952
Debt Service	0	0	0	1,853,662	1,853,662
Flood Protection	0	0	0	10,190	10,190
Park Development	0	0	0	7,798,426	7,798,426
State Issue I	0	0	0	46,591	46,591
Municipal Motor Vehicle Registration	0	0	0	418,729	418,729
OneOhio Opioid Settlement	0	0	0	137,195	137,195
Fire Levy	0	4,188,553	0	0	4,188,553
Indigent Driver Interlock	0	0	0	540,744	540,744
Total Restricted	0	4,188,553	12,630,166	26,909,077	43,727,796
Assigned to:					
Debt Service	0	0	0	4,284	4,284
Downtown Development	0	0	0	36,373	36,373
Active Transportation and Capital Projects	0	0	0	3,003,158	3,003,158
Transformative Economic	0	0	0	4,336,252	4,336,252
Purchases on Order	469,977	0	0	0	469,977
Total Assigned	469,977	0	0	7,380,067	7,850,044
Unassigned (Deficit)	32,473,951	0	0	0	32,473,951
Total Fund Balance	\$32,943,928	\$4,188,553	\$12,630,166	\$34,289,144	\$84,051,791

Purchases on order will be used for functions of the general government, safety of residences, recreational activities, economic development projects, and purchases of capital items for the City.

Note 21 – Tax Abatements

As of December 31, 2023, the City provides tax abatements through the Community Reinvestment Area (CRA) and the Ohio Enterprise Zone Areas:

The Ohio Community Reinvestment Area program with is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to 3735.70, city, village or county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. It is the City's policy to have reimbursement agreements with school districts for any CRA prior to 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

The Ohio Enterprise Zone Areas are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments. EZAs are not part of the traditional zoning program, which limits the use of land, instead they allow local officials to negotiate with businesses to encourage new business investment in the zone. The EZA serves as an additional economic development tool for communities attempting to retain and expand their economic base. The EZA is a contract between the City and the company. The zone's geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the director of the Development Services Agency. The director must then certify the area for it to become an active Enterprise Zone. Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins. Businesses interested in pursuing these incentives should contact the local Enterprise Zone Manager.

<u>Tax Abatement Programs</u>	<u>City's Share of Taxes Abated</u>
Community Reinvestment Area	\$167,623

The abatements will be terminated if the property is deemed delinquent, behind on payments, or the terms and conditions of the CRA or EZA are not adhered to and no recapture provisions noted.

Note 21 – Implementations of new Accounting Principles

For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

GASB Statement No. 94 sets out to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

Effect on Previously Reported Net Position The implementation of the GASB 96 pronouncement had no net effect on the net position as reported at December 31, 2022:

	Governmental Activities
Net Position, December 31, 2022	<u>\$120,163,680</u>
Adjustments-Presentation Changes:	
SBITA Asset	462,607
SBITA Liability	<u>(462,607)</u>
Restated Net Position, December 31, 2022	<u><u>\$120,163,680</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Fairfield, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.08333400%	0.08576400%	0.08615800%	0.09144400%	0.09202500%
City's Proportionate Share of the Net Pension Liability	\$24,616,900	\$7,461,815	\$12,758,124	\$18,074,527	\$25,203,781
City's Covered Payroll	\$12,916,164	\$12,378,464	\$12,200,179	\$12,865,186	\$12,429,671
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.59%	60.28%	104.57%	140.49%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

Note:

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.09437100%	0.09178900%	0.09411200%	0.09360400%	0.09360400%
\$14,804,980	\$20,843,721	\$16,301,385	\$11,289,688	\$11,034,692
\$12,472,869	\$11,859,208	\$14,007,367	\$11,513,875	\$13,291,146
118.70%	175.76%	116.38%	98.05%	83.02%
84.66%	77.25%	81.08%	86.45%	86.36%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Pension Liability

Ohio Police and Fire Pension Fund

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.42224720%	0.41518820%	0.37601090%	0.37596610%	0.38235400%
City's Proportionate Share of the Net Pension Liability	\$40,109,391	\$25,938,557	\$25,633,001	\$25,327,085	\$31,210,190
City's Covered Payroll	\$10,478,561	\$10,526,021	\$9,449,453	\$8,871,448	\$9,479,421
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	382.78%	246.42%	271.26%	285.49%	329.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%

Note:

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.37500000%	0.34855900%	0.35860500%	0.35010860%	0.35010860%
\$23,015,444	\$22,077,377	\$23,069,311	\$18,137,085	\$17,051,388
\$8,719,700	\$8,314,016	\$7,832,215	\$7,196,375	\$8,559,063
263.95%	265.54%	294.54%	252.03%	199.22%
70.91%	68.36%	66.77%	72.20%	73.00%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of City's Contributions

for Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$1,886,483	\$1,808,263	\$1,732,985	\$1,708,025	\$1,801,126
Contributions in Relation to the Contractually Required Contribution	(1,886,483)	(1,808,263)	(1,732,985)	(1,708,025)	(1,801,126)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll	\$13,474,879	\$12,916,164	\$12,378,464	\$12,200,179	\$12,865,186
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Note:

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
\$1,740,154	\$1,621,473	\$1,423,105	\$1,680,884	\$1,381,665
(1,740,154)	(1,621,473)	(1,423,105)	(1,680,884)	(1,381,665)
\$0	\$0	\$0	\$0	\$0
\$12,429,671	\$12,472,869	\$11,859,208	\$14,007,367	\$11,513,875
14.00%	13.00%	12.00%	12.00%	12.00%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of City's Contributions

for Net Pension Liability

Ohio Police and Fire Pension Fund

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	\$2,901,900	\$2,196,645	\$2,232,569	\$2,002,339	\$1,874,537
Contributions in Relation to the Contractually Required Contribution	(2,901,900)	(2,196,645)	(2,232,569)	(2,002,339)	(1,874,537)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$13,729,587	\$10,478,561	\$10,526,021	\$9,449,453	\$8,871,448
Contributions as a Percentage of Covered Payroll	21.14%	20.96%	21.21%	21.19%	21.13%

Note:

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
\$1,801,090	\$1,656,743	\$1,579,663	\$1,573,492	\$1,465,182
(1,801,090)	(1,656,743)	(1,579,663)	(1,573,492)	(1,465,182)
\$0	\$0	\$0	\$0	\$0
\$9,479,421	\$8,719,700	\$8,314,016	\$7,832,215	\$7,196,375
19.00%	19.00%	19.00%	20.09%	20.36%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share

of the Net Postemployment Benefits Other Than Pension (OPEB) Liability (Asset)

Ohio Public Employees Retirement System - Traditional Plan

Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability (Asset)	0.08538000%	0.08854700%	0.08959700%	0.09492800%	0.09575000%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$538,337	(\$2,773,428)	(\$1,596,242)	\$3,713,692	\$12,483,539
City's Covered Payroll	\$12,916,164	\$12,378,464	\$12,200,179	\$12,865,186	\$12,429,671
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	4.17%	-22.41%	-13.08%	28.87%	100.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	115.57%	115.57%	47.80%	46.33%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

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

See accompanying notes to the required supplementary information.

2018 2017

0.09893000% 0.09633508%

\$10,743,069 \$9,730,170

\$12,472,869 \$11,859,208

86.13% 82.05%

54.14% 54.04%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share
of the Net Postemployment Benefits Other Than Pension (OPEB) Liability

Ohio Police and Fire Pension Fund

Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.42224720%	0.41518820%	0.37601090%	0.37596610%	0.38235400%
City's Proportionate Share of the Net OPEB Liability	\$3,006,277	\$4,550,820	\$3,983,897	\$3,713,692	\$3,481,920
City's Covered Payroll	\$10,478,561	\$10,526,021	\$9,449,453	\$8,871,448	\$9,479,421
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	28.69%	43.23%	42.16%	41.86%	36.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.60%	46.90%	45.42%	47.10%	46.57%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

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

See accompanying notes to the required supplementary information.

2018	2017
------	------

0.37500000% 0.34855900%

\$21,246,975 \$16,545,312

\$8,719,700 \$8,314,016

243.67% 199.01%

14.13% 15.96%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of City's Contributions to

Postemployment Benefits Other Than Pension (OPEB)

Ohio Public Employees Retirement System - Traditional Plan

Last Eight Fiscal Years (1)

	2023	2022	2021	2020	2019
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$13,474,879	\$12,916,164	\$12,378,464	\$12,200,179	\$12,865,186
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

2018	2017	2016
\$0	\$158,493	\$206,425
0	(158,493)	(206,425)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,429,671	\$12,472,869	\$11,859,208
0.00%	1.27%	1.74%

City of Fairfield, Ohio

Required Supplementary Information

Schedule of City's Contributions to

Postemployment Benefits Other Than Pension (OPEB)

Ohio Police and Fire Pension Fund

Last Eight Fiscal Years (1)

	2023	2022	2021	2020	2019
Contractually Required Contribution to OPEB	\$68,647	\$52,393	\$53,331	\$48,315	\$45,399
Contributions to OPEB in Relation to the Contractually Required Contribution	(68,647)	(52,393)	(53,331)	(48,315)	(45,399)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$13,729,587	\$10,478,561	\$10,526,021	\$9,449,453	\$8,871,448
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.50%	0.51%	0.51%	0.51%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

2018	2017	2016
\$43,704	\$41,290	\$38,147
(43,704)	(41,290)	(38,147)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,479,421	\$8,719,700	\$8,314,016
0.46%	0.47%	0.46%

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, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$31,525,025	\$35,725,075	\$35,608,237	(\$116,838)
Licenses & Permits	309,750	734,750	830,564	95,814
Intergovernmental	1,009,550	1,944,550	2,007,472	62,922
Charges for Services	959,850	1,174,850	1,123,146	(51,704)
Court Costs & Fines	896,500	1,171,500	1,273,691	102,191
Special Assessments	40,000	40,000	68,417	28,417
Investment Earnings	90,000	1,440,000	1,423,040	(16,960)
Other Revenues	<u>1,339,538</u>	<u>1,339,538</u>	<u>1,671,248</u>	<u>331,710</u>
Total Revenues	<u>36,170,213</u>	<u>43,570,263</u>	<u>44,005,815</u>	<u>435,552</u>
Expenditures:				
Current:				
General Government				
City Council				
Personnel Related	207,706	207,706	207,002	704
Other	24,375	24,375	22,541	1,834
Total City Council	<u>232,081</u>	<u>232,081</u>	<u>229,543</u>	<u>2,538</u>
Mayor				
Personnel Related	11,324	11,324	11,187	137
Other	10,620	10,620	7,595	3,025
Total Mayor	<u>21,944</u>	<u>21,944</u>	<u>18,782</u>	<u>3,162</u>
Administration				
Personnel Related	619,059	619,059	611,776	7,283
Other	38,597	38,597	35,260	3,337
Total Administration	<u>657,656</u>	<u>657,656</u>	<u>647,035</u>	<u>10,621</u>
General Services				
Personnel Related	68,778	68,307	50,863	17,444
Other	365,653	4,883,734	4,431,509	452,225
Total General Services	<u>434,430</u>	<u>4,952,041</u>	<u>4,482,372</u>	<u>469,669</u>
Law				
Personnel Related	500	500	252	248
Other	233,600	613,600	613,577	23
Total Law	<u>234,100</u>	<u>614,100</u>	<u>613,829</u>	<u>271</u>
Human Resources				
Personnel Related	267,487	312,487	310,661	1,826
Other	163,208	155,439	104,828	50,611
Total Human Resources	<u>430,695</u>	<u>467,926</u>	<u>415,490</u>	<u>52,436</u>
Finance Administration & Accounting				
Personnel Related	715,827	715,827	661,147	54,680
Other	35,578	35,557	26,196	9,361
Total Finance Administration & Accounting	<u>751,405</u>	<u>751,384</u>	<u>687,343</u>	<u>64,042</u>
Income Tax				
Personnel Related	639,071	639,071	608,942	30,129
Other	55,228	120,169	113,752	6,417
Total Income Tax	<u>694,299</u>	<u>759,240</u>	<u>722,693</u>	<u>36,547</u>

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, 2023

General Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	589,753	589,753	557,559	32,194
Other	98,726	98,726	95,094	3,632
Total Information Technology	688,479	688,479	652,653	35,826
Municipal Court				
Personnel Related	1,617,905	1,617,905	1,498,750	119,155
Other	221,218	319,564	275,602	43,962
Total Municipal Court	1,839,123	1,937,469	1,774,352	163,117
Public Works Administration				
Personnel Related	824,824	824,824	764,033	60,791
Other	111,252	210,280	160,337	49,943
Total Public Works Administration	936,076	1,035,104	924,370	110,734
Construction Services				
Other	4,852	4,822	4,822	0
Total Construction Services	4,852	4,822	4,822	0
Municipal Building				
Personnel Related	237,439	252,439	250,720	1,719
Other	234,587	234,425	190,674	43,751
Total Municipal Building	472,026	486,864	441,394	45,470
Total General Government	7,397,165	12,609,110	11,614,677	994,433
Public Safety				
Police				
Personnel Related	13,897,565	13,897,565	12,074,686	1,822,879
Other	1,055,735	1,153,885	994,642	159,243
Total Police	14,953,300	15,051,450	13,069,329	1,982,121
Justice Center				
Other	1,025,452	1,363,267	1,294,831	68,436
Total Justice Center	1,025,452	1,363,267	1,294,831	68,436
Total Public Safety	15,978,752	16,414,717	14,364,160	2,050,557
Community Development				
Planning & Economic Development				
Personnel Related	573,202	573,202	563,192	10,010
Other	64,917	64,917	51,740	13,177
Total Planning & Economic Development	638,119	638,119	614,933	23,187
Building & Zoning Inspection				
Personnel Related	818,747	818,747	798,151	20,596
Other	99,842	107,342	82,098	25,244
Total Building & Zoning Inspection	918,589	926,089	880,248	45,841
Total Community Development	1,556,708	1,564,208	1,495,181	69,027

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, 2023

	General Fund		
	Original Budget	Final Budget	Variance from Final Budget
Leisure Time Activities			
Parks & Recreation Administation			
Personnel Related	1,186,891	1,186,891	1,050,797
Other	637,441	773,937	740,374
Total Parks & Recreation Administration	1,824,332	1,960,828	1,791,171
Parks Maintenance Operations			
Personnel Related	1,091,751	1,091,751	1,041,512
Other	700,782	783,782	758,290
Total Parks Maintenance Operations	1,792,533	1,875,533	1,799,802
Total Leisure Time Activities	3,616,865	3,836,361	3,590,973
Capital Outlay	0	683,750	683,250
Total Expenditures	28,549,489	35,108,146	31,748,241
Excess of Revenues Over (Under) Expenditures	7,620,724	8,462,117	12,257,573
Other Financing Sources (uses):			
Transfers (Out)	(1,350,000)	(11,419,652)	(10,569,652)
Total Other Financing Sources (Uses)	(1,350,000)	(11,419,652)	(10,569,652)
Net Change in Fund Balance	6,270,724	(2,957,535)	1,687,921
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,322,087	28,322,087	28,322,087
Fund Balance End of Year	<u><u>\$34,592,811</u></u>	<u><u>\$25,364,552</u></u>	<u><u>\$30,010,008</u></u>
			<u><u>\$4,645,456</u></u>

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, 2023

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$11,150,000	\$11,150,000	\$11,153,287	\$3,287
Licenses & Permits	5,500	5,500	5,625	125
Intergovernmental	1,139,675	1,139,675	991,110	(148,565)
Charges for Services	1,100,000	1,525,000	1,552,097	27,097
Investment Earnings	10,000	10,000	113,497	103,497
Other Revenues	2,000	2,000	11,142	9,142
Total Revenues	13,407,175	13,832,175	13,826,756	(5,419)
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	10,150,434	10,290,434	9,905,215	385,219
Other	1,179,022	1,216,630	1,212,747	3,883
Total Fire Suppression	11,329,456	11,507,064	11,117,962	389,102
Total Expenditures	11,329,456	11,507,064	11,117,962	389,102
Net Change in Fund Balance	2,077,719	2,325,111	2,708,794	383,683
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,192,258	2,192,258	2,192,258	0
Fund Balance End of Year	\$4,269,977	\$4,517,369	\$4,901,052	\$383,683

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

Note 1 – Budgetary Process

All funds, except custodial 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.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General and Fire Levy.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

Net Change in Fund Balance

	General	Fire Levy
GAAP Basis	\$3,558,529	\$2,729,267
Revenue Accruals	1,427,799	(12,406)
Expenditure Accruals	(1,895,142)	4,434
Proceeds of Subscription Based		
Information Technology Arrangements	(618,800)	0
Encumbrances	<u>(784,465)</u>	<u>(12,501)</u>
Budget Basis	<u><u>\$1,687,921</u></u>	<u><u>\$2,708,794</u></u>

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2023-2014: There were no changes in benefit terms for this period.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed investment rate of return from 8.00% to 7.50%

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2023-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

2018: The single discount rate changed from 4.23% to 3.85%.

Changes in Benefit Terms:

2023: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

2019-2018: There were no changes in benefit terms for the period.

Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%
- The depletion year of OPEB assets is projected in year 2036
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

2018: The single discount rate changed from 3.79% to 3.24%

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

Changes in benefit terms:

2023-2020: There were no changes in benefit terms for the period.

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

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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, 2023

	Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,325,000	\$4,190,835	(\$134,165)
Intergovernmental	3,600,000	3,820,129	220,129
Investment Earnings	275,000	271,002	(3,999)
Other Revenues	425,000	417,859	(7,141)
Total Revenues	8,625,000	8,699,825	74,825
Expenditures:			
Capital Outlay	11,015,477	10,113,517	901,960
Total Expenditures	11,015,477	10,113,517	901,960
Excess of Revenues Over (Under) Expenditures	(2,390,477)	(1,413,693)	976,784
Other Financing Sources (uses):			
Transfers In	1,375,000	1,357,326	(17,674)
Transfers (Out)	(568,096)	(568,096)	0
Total Other Financing Sources (Uses)	806,904	789,230	(17,674)
Net Change in Fund Balance	(1,583,573)	(624,463)	959,110
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,723,206	11,723,206	0
Fund Balance End of Year	\$10,139,633	\$11,098,743	\$959,110

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$16,673,095	\$1,857,524	\$21,548,368	\$40,078,987
Receivables (Net):				
Taxes	0	0	1,172,151	1,172,151
Interest	5,145	2,918	7,835	15,898
Intergovernmental	1,671,231	239,307	264,600	2,175,138
Total Assets	18,349,471	2,099,749	22,992,954	43,442,174
Liabilities:				
Accounts Payable	598,968	0	0	598,968
Accrued Wages and Benefits	116,845	0	0	116,845
Contracts Payable	0	0	919,027	919,027
Retainage Payable	90,753	0	115,173	205,926
Claims Payable	719	0	0	719
Unearned Revenue	4,822,618	0	0	4,822,618
Total Liabilities	5,629,903	0	1,034,200	6,664,103
Deferred Inflows of Resources:				
Income Taxes	0	0	827,831	827,831
Grants and Other Taxes	1,408,190	239,307	0	1,647,497
Unavailable Revenue	4,401	2,496	6,702	13,599
Total Deferred Inflows of Resources	1,412,591	241,803	834,533	2,488,927
Fund Balances:				
Restricted	11,306,977	1,853,662	13,748,438	26,909,077
Assigned	0	4,284	7,375,783	7,380,067
Total Fund Balances	11,306,977	1,857,946	21,124,221	34,289,144
Total Liabilities, Deferred Inflows and Fund Balances	\$18,349,471	\$2,099,749	\$22,992,954	\$43,442,174

City of Fairfield, Ohio
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$0	\$4,044,695	\$4,044,695
Investment Earnings	332,858	38,946	838,820	1,210,624
Intergovernmental	5,960,424	0	875,915	6,836,339
Fines, Licenses & Permits	738,960	0	0	738,960
Revenue in Lieu of Taxes	134,858	0	0	134,858
Other Revenues	12,753	0	91,320	104,073
Total Revenues	7,179,853	38,946	5,850,750	13,069,549
Expenditures:				
Current:				
General Government	1,203,238	1,000	0	1,204,238
Public Safety	48,719	0	0	48,719
Community Development	0	0	1,002,499	1,002,499
Leisure Time Activities	0	0	305,754	305,754
Transportation and Street Repair	3,087,713	0	3,915,223	7,002,936
Public Health and Welfare	709,793	0	0	709,793
Capital Outlay	1,571,168	0	4,205,166	5,776,334
Debt Service:				
Principal	0	865,000	0	865,000
Interest and Other Charges	0	147,426	0	147,426
Total Expenditures	6,620,631	1,013,426	9,428,642	17,062,699
Excess of Revenues Over (Under) Expenditures	559,222	(974,480)	(3,577,892)	(3,993,150)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,075	0	94,256	96,331
Transfers In	0	1,009,280	7,919,476	8,928,756
Total Other Financing Sources (Uses)	2,075	1,009,280	8,013,732	9,025,087
Net Change in Fund Balance	561,297	34,800	4,435,840	5,031,937
Fund Balance - Beginning of Year	10,745,680	1,823,146	16,688,381	29,257,207
Fund Balance - End of Year	\$11,306,977	\$1,857,946	\$21,124,221	\$34,289,144

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.

American Rescue Plan Act – To account for grants received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan. Grants are restricted for various purposes designated by the Department of the Treasury.

Northeast Area Tax Increment Financing (TIF) - To account for the recording of revenues and expenditures related to the tax increment financing project within the Northeast Area of the City.

South Town Center Tax Increment Financing (TIF) - To account for the recording of revenues and expenditures related to the tax increment financing project for the South Town Center within the City.

OneOhio Opioid Settlement - To account for revenues and expenditures related to settlement dollars to be used to prevent, treat and support recovery from addiction including opioids and/or any other co-occurring substance use and/or mental health conditions which are all long-lasting (chronic) diseases that can cause major health, social, and economic problems at the individual, family and/or community level.

Butler County American Rescue Plan Act – To account for funds received and disbursed from the American Rescue plan Act through the Butler County Board of Commissioners.

City of Fairfield, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2023

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$3,728,544	\$438,960	\$180,074	\$31,642	\$251,614
Receivables (Net):					
Interest	4,267	0	0	0	0
Intergovernmental	1,385,133	112,308	0	0	0
Total Assets	5,117,944	551,268	180,074	31,642	251,614
Liabilities:					
Accounts Payable	45,439	0	0	0	0
Accrued Wages and Benefits	68,676	10,448	0	0	0
Retainage Payable	0	0	0	0	0
Claims Payable	588	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	114,703	10,448	0	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	1,166,037	94,544	0	0	0
Unavailable Revenue	3,650	0	0	0	0
Total Deferred Inflows of Resources	1,169,687	94,544	0	0	0
Fund Balances:					
Restricted	3,833,554	446,276	180,074	31,642	251,614
Total Fund Balances	3,833,554	446,276	180,074	31,642	251,614
Total Liabilities, Deferred Inflows and Fund Balances	\$5,117,944	\$551,268	\$180,074	\$31,642	\$251,614

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$409,712	\$73,334	\$185,517	\$48,820	\$2,581,989	\$1,017,294	\$269,280
0	0	0	0	0	0	0
173,790	0	0	0	0	0	0
583,502	73,334	185,517	48,820	2,581,989	1,017,294	269,280
0	0	0	0	3,981	0	0
17,164	0	0	0	17,887	0	2,670
0	0	0	0	0	0	0
0	0	0	0	113	0	18
0	0	0	0	0	0	0
17,164	0	0	0	21,981	0	2,688
147,609	0	0	0	0	0	0
0	0	0	0	0	0	0
147,609	0	0	0	0	0	0
418,729	73,334	185,517	48,820	2,560,008	1,017,294	266,592
418,729	73,334	185,517	48,820	2,560,008	1,017,294	266,592
\$583,502	\$73,334	\$185,517	\$48,820	\$2,581,989	\$1,017,294	\$269,280

Continued

City of Fairfield, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2023

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	American Rescue Plan Act	Northeast Area TIF
Assets:					
Equity in Pooled Cash and Investments	\$903,632	\$355,935	\$540,744	\$3,048,165	\$69,814
Receivables (Net):					
Interest	0	732	0	0	146
Intergovernmental	0	0	0	0	0
Total Assets	903,632	356,667	540,744	3,048,165	69,960
Liabilities:					
Accounts Payable	0	14,754	0	534,794	0
Accrued Wages and Benefits	0	0	0	0	0
Retainage Payable	0	0	0	90,753	0
Claims Payable	0	0	0	0	0
Unearned Revenue	0	0	0	2,422,618	0
Total Liabilities	0	14,754	0	3,048,165	0
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	0
Unavailable Revenue	0	626	0	0	125
Total Deferred Inflows of Resources	0	626	0	0	125
Fund Balances:					
Restricted	903,632	341,287	540,744	0	69,835
Total Fund Balances	903,632	341,287	540,744	0	69,835
Total Liabilities, Deferred Inflows and Fund Balances	\$903,632	\$356,667	\$540,744	\$3,048,165	\$69,960

South Town Center TIF	OneOhio Opioid Settlement	Butler County - American Rescue Plan Act	Total Nonmajor Special Revenue Funds
\$830	\$137,195	\$2,400,000	\$16,673,095
0	0	0	5,145
0	0	0	1,671,231
<u>830</u>	<u>137,195</u>	<u>2,400,000</u>	<u>18,349,471</u>
0	0	0	598,968
0	0	0	116,845
0	0	0	90,753
0	0	0	719
0	0	2,400,000	4,822,618
<u>0</u>	<u>0</u>	<u>2,400,000</u>	<u>5,629,903</u>
0	0	0	1,408,190
0	0	0	4,401
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,412,591</u>
<u>830</u>	<u>137,195</u>	<u>0</u>	<u>11,306,977</u>
<u>830</u>	<u>137,195</u>	<u>0</u>	<u>11,306,977</u>
<u>\$830</u>	<u>\$137,195</u>	<u>\$2,400,000</u>	<u>\$18,349,471</u>

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, 2023

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Investment Earnings	\$87,127	\$0	\$0	\$0	\$0
Intergovernmental	2,838,091	227,578	175,000	0	0
Fines, Licenses & Permits	0	0	0	0	110,552
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	12,753	0	0	0	0
Total Revenues	2,937,971	227,578	175,000	0	110,552
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	48,719
Transportation and Street Repair	2,638,626	134,508	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	65,350	0	184,829	0	14,275
Total Expenditures	2,703,976	134,508	184,829	0	62,994
Excess of Revenues Over (Under) Expenditures	233,995	93,070	(9,829)	0	47,558
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	2,075	0	0	0	0
Total Other Financing Sources (Uses)	2,075	0	0	0	0
Net Change in Fund Balance	236,070	93,070	(9,829)	0	47,558
Fund Balance - Beginning of Year	3,597,484	353,206	189,903	31,642	204,056
Fund Balance - End of Year	\$3,833,554	\$446,276	\$180,074	\$31,642	\$251,614

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$0	\$0	\$0	\$0	\$22,384	\$0	\$0
347,132	0	0	0	0	0	0
0	4,368	31,938	0	347,283	93,328	53,644
0	0	0	0	0	0	0
0	0	0	0	0	0	0
347,132	4,368	31,938	0	369,667	93,328	53,644
0	0	6,730	0	474,275	84,455	85,716
0	0	0	0	0	0	0
314,579	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	67,073
314,579	0	6,730	0	474,275	84,455	152,789
32,553	4,368	25,208	0	(104,608)	8,873	(99,145)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
32,553	4,368	25,208	0	(104,608)	8,873	(99,145)
386,176	68,966	160,309	48,820	2,664,616	1,008,421	365,737
\$418,729	\$73,334	\$185,517	\$48,820	\$2,560,008	\$1,017,294	\$266,592

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, 2023

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	American Rescue Plan Act	Northeast Area TIF
Revenues:					
Investment Earnings	\$0	(\$381)	\$0	\$223,791	(\$63)
Intergovernmental	0	0	0	1,660,437	0
Fines, Licenses & Permits	52,150	0	45,697	0	0
Revenue in Lieu of Taxes	0	119,219	0	0	15,003
Other Revenues	0	0	0	0	0
Total Revenues	52,150	118,838	45,697	1,884,228	14,940
Expenditures:					
Current:					
General Government	0	14,754	2,514	534,794	0
Public Safety	0	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	109,793	0
Capital Outlay	0	0	0	1,239,641	0
Total Expenditures	0	14,754	2,514	1,884,228	0
Excess of Revenues Over (Under) Expenditures	52,150	104,084	43,183	0	14,940
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	52,150	104,084	43,183	0	14,940
Fund Balance - Beginning of Year	851,482	237,203	497,561	0	54,895
Fund Balance - End of Year	\$903,632	\$341,287	\$540,744	\$0	\$69,835

South Town Center TIF	OneOhio Opioid Settlement	Butler County - American Rescue Plan Act	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$332,858
0	112,186	600,000	5,960,424
0	0	0	738,960
636	0	0	134,858
0	0	0	<u>12,753</u>
636	112,186	600,000	7,179,853
0	0	0	1,203,238
0	0	0	48,719
0	0	0	3,087,713
0	0	600,000	709,793
0	0	0	<u>1,571,168</u>
0	0	600,000	6,620,631
636	112,186	0	<u>559,222</u>
0	0	0	2,075
0	0	0	2,075
636	112,186	0	561,297
194	25,009	0	10,745,680
<u>\$830</u>	<u>\$137,195</u>	<u>\$0</u>	<u>\$11,306,977</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, 2023

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,730,000	\$2,835,077	\$105,077
Investment Earnings	75,000	67,921	(\$7,079)
Other Revenues	15,000	14,828	(172)
Total Revenues	<u>2,820,000</u>	<u>2,917,825</u>	<u>97,825</u>
Expenditures:			
Transportation and Street Repair			
Personnel Related	1,766,760	1,592,381	174,379
Other	1,893,576	1,610,467	283,109
Total Expenditures	<u>3,660,336</u>	<u>3,202,847</u>	<u>457,489</u>
Excess of Revenues Over (Under) Expenditures	<u>(840,336)</u>	<u>(285,022)</u>	<u>555,314</u>
Other Financing Sources (uses):			
Transfers In	750,000	0	(750,000)
Total Other Financing Sources (Uses)	<u>750,000</u>	<u>0</u>	<u>(750,000)</u>
Net Change in Fund Balance	<u>(90,336)</u>	<u>(285,022)</u>	<u>(194,686)</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,678,260</u>	<u>3,678,260</u>	<u>0</u>
Fund Balance End of Year	<u>\$3,587,924</u>	<u>\$3,393,238</u>	<u>(\$194,686)</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, 2023

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$225,000	\$227,334	\$2,334
Total Revenues	<u>225,000</u>	<u>227,334</u>	<u>2,334</u>
Expenditures:			
Transportation and Street Repair			
Personnel Related	152,175	138,848	13,327
Total Expenditures	<u>152,175</u>	<u>138,848</u>	<u>13,327</u>
Net Change in Fund Balance	72,825	88,487	15,662
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	350,474	350,474	0
Fund Balance End of Year	<u>\$423,299</u>	<u>\$438,960</u>	<u>\$15,662</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, 2023

County Motor Vehicle Registration Fund			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$175,000	\$175,000	\$0
Total Revenues	175,000	175,000	0
Expenditures:			
Capital Outlay	184,880	184,880	0
Total Expenditures	184,880	184,880	0
Net Change in Fund Balance	(9,880)	(9,880)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	189,905	189,905	0
Fund Balance End of Year	<u>\$180,025</u>	<u>\$180,025</u>	<u>\$0</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, 2023

	Tax Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Licenses & Permits	\$1,000	\$0	(\$1,000)
Investment Earnings	200	0	(200)
Total Revenues	1,200	0	(1,200)
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	1,200	0	(1,200)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,642	31,642	0
Fund Balance End of Year	<u>\$32,842</u>	<u>\$31,642</u>	<u>(\$1,200)</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, 2023

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$110,000	\$110,552	\$552
Total Revenues	<u>110,000</u>	<u>110,552</u>	<u>552</u>
Expenditures:			
Public Safety			
Other	67,551	49,243	18,308
Capital Outlay	68,156	56,354	11,802
Total Expenditures	<u>135,707</u>	<u>105,596</u>	<u>30,111</u>
Net Change in Fund Balance	(25,707)	4,956	30,663
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	207,358	207,358	0
Fund Balance End of Year	<u>\$181,651</u>	<u>\$212,314</u>	<u>\$30,663</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, 2023

	Municipal Motor Vehicle Registration Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$330,000	\$347,868	\$17,868
Total Revenues	<u>330,000</u>	<u>347,868</u>	<u>17,868</u>
Expenditures:			
Transportation and Street Repair			
Personnel Related	329,713	321,710	8,003
Total Expenditures	<u>329,713</u>	<u>321,710</u>	<u>8,003</u>
Net Change in Fund Balance	287	26,159	25,872
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	383,554	383,554	0
Fund Balance End of Year	<u>\$383,841</u>	<u>\$409,712</u>	<u>\$25,872</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, 2023

Law Enforcement and Education Fund			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$30,000	\$4,368	(\$25,632)
Total Revenues	30,000	4,368	(25,632)
Expenditures:			
Public Safety			
Other	30,000	0	30,000
Total Expenditures	30,000	0	30,000
Net Change in Fund Balance	0	4,368	4,368
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	68,965	68,965	0
Fund Balance End of Year	<u>\$68,965</u>	<u>\$73,333</u>	<u>\$4,368</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, 2023

	Drug and Alcohol Treatment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$12,000	\$31,938	\$19,938
Investment Earnings	200	0	(200)
Total Revenues	12,200	31,938	19,738
Expenditures:			
General Government			
Other	40,000	6,730	33,270
Total Expenditures	40,000	6,730	33,270
Net Change in Fund Balance	(27,800)	25,208	53,008
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	160,310	160,310	0
Fund Balance End of Year	<u>\$132,510</u>	<u>\$185,518</u>	<u>\$53,008</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, 2023

	Local Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	48,820	48,820	0
Fund Balance End of Year	<u>\$48,820</u>	<u>\$48,820</u>	<u>\$0</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, 2023

	Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$365,000	\$347,283	(\$17,717)
Investment Earnings	4,000	25,128	21,128
Total Revenues	<u>369,000</u>	<u>372,411</u>	<u>3,411</u>
Expenditures:			
General Government			
Personnel Related	434,424	422,850	11,574
Other	86,500	51,716	34,784
Total Expenditures	<u>520,924</u>	<u>474,566</u>	<u>46,358</u>
Net Change in Fund Balance	(151,924)	(102,155)	49,769
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,686,890</u>	<u>2,686,890</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,534,966</u></u>	<u><u>\$2,584,735</u></u>	<u><u>\$49,769</u></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, 2023

	Court Computer Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$85,000	\$93,328	\$8,328
Investment Earnings	600	0	(600)
Total Revenues	85,600	93,328	7,728
Expenditures:			
General Government			
Other	147,700	84,455	63,245
Total Expenditures	147,700	84,455	63,245
Net Change in Fund Balance	(62,100)	8,873	70,973
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,008,420	1,008,420	0
Fund Balance End of Year	<u>\$946,320</u>	<u>\$1,017,293</u>	<u>\$70,973</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, 2023

	Special Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$50,000	\$53,644	\$3,644
Investment Earnings	350	0	(350)
Total Revenues	50,350	53,644	3,294
Expenditures:			
General Government			
Personnel Related	79,919	78,850	1,069
Other	113,000	77,520	35,480
Total Expenditures	192,919	156,370	36,549
Net Change in Fund Balance	(142,569)	(102,726)	39,843
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	372,007	372,007	0
Fund Balance End of Year	<u>\$229,438</u>	<u>\$269,282</u>	<u>\$39,843</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, 2023

	Mediation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$50,000	\$52,150	\$2,150
Investment Earnings	200	0	(200)
Total Revenues	50,200	52,150	1,950
Expenditures:			
General Government			
Other	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Net Change in Fund Balance	45,200	52,150	6,950
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	851,482	851,482	0
Fund Balance End of Year	<u>\$896,682</u>	<u>\$903,632</u>	<u>\$6,950</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, 2023

	Tax Increment Equivalent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$115,000	\$119,219	\$4,219
Investment Earnings	0	451	451
Total Revenues	115,000	119,669	4,669
Expenditures:			
General Government			
Other	21,000	14,754	6,246
Total Expenditures	21,000	14,754	6,246
Net Change in Fund Balance	94,000	104,916	10,916
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	237,204	237,204	0
Fund Balance End of Year	<u>\$331,204</u>	<u>\$342,119</u>	<u>\$10,916</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, 2023

	Indigent Driver Interlock Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$45,000	\$45,697	\$697
Total Revenues	45,000	45,697	697
Expenditures:			
General Government			
Other	20,000	2,590	17,410
Total Expenditures	20,000	2,590	17,410
Net Change in Fund Balance	25,000	43,108	18,108
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	497,636	497,636	0
Fund Balance End of Year	<u>\$522,636</u>	<u>\$540,744</u>	<u>\$18,108</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, 2023

	America Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$200,000	\$202,708	\$2,708
Total Revenues	200,000	202,708	2,708
Expenditures:			
General Government			
Other	4,471,992	4,256,076	215,916
Total Expenditures	4,471,992	4,256,076	215,916
Net Change in Fund Balance	(4,271,992)	(4,053,368)	218,624
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,381,861	4,381,861	0
Fund Balance End of Year	<u>\$109,869</u>	<u>\$328,493</u>	<u>\$218,624</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, 2023

	Northeast Area TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$160,000	\$162,640	\$2,640
Investment Earnings	0	90	90
Total Revenues	160,000	162,730	2,730
Expenditures:			
General Government			
Other	147,637	147,637	0
Total Expenditures	147,637	147,637	0
Net Change in Fund Balance	12,363	15,093	2,730
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,895	54,895	0
Fund Balance End of Year	\$67,258	\$69,988	\$2,730

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, 2023

South Town Center TIF Fund			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$0	\$636	\$636
Total Revenues	0	636	636
Expenditures:			
General Government			
Other	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	636	636
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	194	194	0
Fund Balance End of Year	<u>\$194</u>	<u>\$830</u>	<u>\$636</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, 2023

	OneOhio Opiod Settlement Fund	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues		\$110,000	\$112,186	\$2,186
Total Revenues		110,000	112,186	2,186
Expenditures:				
General Government				
Personnel Related		0	0	0
Total Expenditures		0	0	0
Net Change in Fund Balance		110,000	112,186	2,186
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)		25,009	25,009	0
Fund Balance End of Year		\$135,009	\$137,195	\$2,186

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, 2023

	Butler County - American Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$3,000,000	\$3,000,000	\$0
Total Revenues	3,000,000	3,000,000	0
Expenditures:			
General Government			
Other	700,000	700,000	0
Total Expenditures	700,000	700,000	0
Net Change in Fund Balance	2,300,000	2,300,000	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2,300,000	\$2,300,000	\$0

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, 2023

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,284	\$1,853,240	\$1,857,524
Receivables (Net):			
Interest	0	2,918	2,918
Intergovernmental	0	239,307	239,307
Total Assets	4,284	2,095,465	2,099,749
Deferred Inflows of Resources:			
Grants and Other Taxes	0	239,307	239,307
Unavailable Revenue	0	2,496	2,496
Total Deferred Inflows of Resources	0	241,803	241,803
Fund Balances:			
Restricted	0	1,853,662	1,853,662
Assigned	4,284	0	4,284
Total Fund Balances	4,284	1,853,662	1,857,946
Total Liabilities, Deferred Inflows and Fund Balances	\$4,284	\$2,095,465	\$2,099,749

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, 2023

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$38,946	\$38,946
Total Revenues	0	38,946	38,946
Expenditures:			
Current:			
General Government	0	1,000	1,000
Debt Service:			
Principal	865,000	0	865,000
Interest and Other Charges	144,280	3,146	147,426
Total Expenditures	1,009,280	4,146	1,013,426
Excess of Revenues Over (Under) Expenditures	(1,009,280)	34,800	(974,480)
Other Financing Sources (Uses):			
Transfers In	1,009,280	0	1,009,280
Total Other Financing Sources (Uses)	1,009,280	0	1,009,280
Net Change in Fund Balance	0	34,800	34,800
Fund Balance - Beginning of Year	4,284	1,818,862	1,823,146
Fund Balance - End of Year	\$4,284	\$1,853,662	\$1,857,946

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, 2023

	General Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Debt Proceeds	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	865,000	865,000	0
Interest and Fiscal Charges	144,280	144,280	0
Total Expenditures	1,009,280	1,009,280	0
Excess of Revenues Over (Under) Expenditures	(1,009,280)	(1,009,280)	0
Other Financing Sources (uses):			
Transfers In	1,009,280	1,009,280	0
Total Other Financing Sources (Uses)	1,009,280	1,009,280	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,282	4,282	0
Fund Balance End of Year	\$4,282	\$4,282	\$0

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, 2023

	Special Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$295,000	\$308,600	\$13,600
Investment Earnings	5,000	79,417	74,417
Total Revenues	300,000	388,017	88,017
Expenditures:			
Current:			
General Government			
Other	1,114	1,000	114
Debt Service:			
Principal Retirement	365,547	365,547	0
Interest and Fiscal Charges	3,147	3,146	1
Total Expenditures	369,808	369,693	115
Net Change in Fund Balance	(69,808)	18,323	88,131
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,838,700	1,838,700	0
Fund Balance End of Year	<u><u>\$1,768,892</u></u>	<u><u>\$1,857,023</u></u>	<u><u>\$88,131</u></u>

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 state government and local share participation.

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

Active Transportation and Capital Projects - This capital projects fund accounts for all revenues and expenditures generated by the implementation of the Fairfield Connects Plan.

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

Transformative Economic - This capital projects fund accounts for expenditures of resources for various economic development projects throughout the City.

City of Fairfield, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2023

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Active Transportation And Capital Projects
Assets:					
Equity in Pooled Cash and Investments	\$6,283,128	\$10,190	\$46,591	\$38,963	\$3,003,158
Receivables (Net):					
Taxes	1,172,151	0	0	0	0
Interest	7,835	0	0	0	0
Intergovernmental	0	0	0	0	0
Total Assets	7,463,114	10,190	46,591	38,963	3,003,158
Liabilities:					
Contracts Payable	735,350	0	0	2,590	0
Retainage Payable	0	0	0	0	0
Total Liabilities	735,350	0	0	2,590	0
Deferred Inflows of Resources:					
Income Taxes	827,831	0	0	0	0
Unavailable Revenue	6,702	0	0	0	0
Total Deferred Inflows of Resources	834,533	0	0	0	0
Fund Balances:					
Restricted	5,893,231	10,190	46,591	0	0
Assigned	0	0	0	36,373	3,003,158
Total Fund Balances	5,893,231	10,190	46,591	36,373	3,003,158
Total Liabilities, Deferred Inflows and Fund Balances	\$7,463,114	\$10,190	\$46,591	\$38,963	\$3,003,158

Park Development	Transformative Economic	Total Nonmajor Capital Projects Funds
\$7,830,086	\$4,336,252	\$21,548,368
0	0	1,172,151
0	0	7,835
<u>264,600</u>	<u>0</u>	<u>264,600</u>
<u>8,094,686</u>	<u>4,336,252</u>	<u>22,992,954</u>
181,087	0	919,027
<u>115,173</u>	<u>0</u>	<u>115,173</u>
<u>296,260</u>	<u>0</u>	<u>1,034,200</u>
0	0	827,831
<u>0</u>	<u>0</u>	<u>6,702</u>
<u>0</u>	<u>0</u>	<u>834,533</u>
7,798,426	0	13,748,438
<u>0</u>	<u>4,336,252</u>	<u>7,375,783</u>
<u>7,798,426</u>	<u>4,336,252</u>	<u>21,124,221</u>
<u>\$8,094,686</u>	<u>\$4,336,252</u>	<u>\$22,992,954</u>

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, 2023

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Active Transportation And Capital Projects
Revenues:					
Income Taxes	\$4,044,695	\$0	\$0	\$0	\$0
Investment Earnings	183,539	0	0	0	3,158
Intergovernmental	340,129	0	271,186	0	0
Other Revenues	50,142	0	0	0	0
Total Revenues	4,618,505	0	271,186	0	3,158
Expenditures:					
Current:					
Community Development	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation and Street Repair	2,912,723	0	0	0	0
Capital Outlay	3,101,864	0	271,186	5,861	0
Total Expenditures	6,014,587	0	271,186	5,861	0
Excess of Revenues Over (Under) Expenditures	(1,396,082)	0	0	(5,861)	3,158
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	94,256	0	0	0	0
Transfers In	919,476	0	0	0	3,000,000
Total Other Financing Sources (Uses)	1,013,732	0	0	0	3,000,000
Net Change in Fund Balance	(382,350)	0	0	(5,861)	3,003,158
Fund Balance - Beginning of Year	6,275,581	10,190	46,591	42,234	0
Fund Balance - End of Year	<u>\$5,893,231</u>	<u>\$10,190</u>	<u>\$46,591</u>	<u>\$36,373</u>	<u>\$3,003,158</u>

Park Development	Transformative Economic	Total Nonmajor Capital Projects Funds
\$0	\$0	\$4,044,695
334,227	317,896	838,820
264,600	0	875,915
0	41,178	91,320
598,827	359,074	5,850,750
0	1,002,499	1,002,499
305,754	0	305,754
0	1,002,500	3,915,223
826,255	0	4,205,166
1,132,009	2,004,999	9,428,642
(533,182)	(1,645,925)	(3,577,892)
0	0	94,256
3,000,000	1,000,000	7,919,476
3,000,000	1,000,000	8,013,732
2,466,818	(645,925)	4,435,840
5,331,608	4,982,177	16,688,381
\$7,798,426	\$4,336,252	\$21,124,221

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, 2023

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,325,000	\$4,190,835	(\$134,165)
Intergovernmental	350,000	340,129	(9,871)
Investment Earnings	5,000	151,758	146,758
Other Revenues	9,500	50,142	40,642
Total Revenues	4,689,500	4,732,863	43,363
Expenditures:			
Capital Outlay	11,267,941	10,750,859	517,082
Total Expenditures	11,267,941	10,750,859	517,082
Excess of Revenues Over (Under) Expenditures	(6,578,441)	(6,017,996)	560,445
Other Financing Sources (uses):			
Proceeds from Sale of Capital Assets	100,000	94,256	(5,744)
Transfers In	1,375,000	1,357,326	(17,674)
Transfers (Out)	(427,875)	(427,875)	0
Total Other Financing Sources (Uses)	1,047,125	1,023,707	(23,418)
Net Change in Fund Balance	(5,531,316)	(4,994,289)	537,027
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,985,310	6,985,310	0
Fund Balance End of Year	\$1,453,994	\$1,991,021	\$537,027

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, 2023

	Flood Protection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Total Revenues	\$0	\$0	\$0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,191	10,191	0
Fund Balance End of Year	<u>\$10,191</u>	<u>\$10,191</u>	<u>\$0</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, 2023

	State Issue I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$250,000	\$271,186	\$21,186
Total Revenues	250,000	271,186	21,186
Expenditures:			
Capital Outlay	310,000	271,186	38,814
Total Expenditures	310,000	271,186	38,814
Net Change in Fund Balance	(60,000)	0	60,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,591	46,591	0
Fund Balance End of Year	(\$13,409)	\$46,591	\$60,000

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, 2023

Downtown Development Fund			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	24,870	24,870	0
Total Expenditures	24,870	24,870	0
Net Change in Fund Balance	(24,870)	(24,870)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	42,236	42,236	0
Fund Balance End of Year	<u>\$17,366</u>	<u>\$17,366</u>	<u>\$0</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, 2023

	Active Transportation And Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$14,203	\$14,203
Total Revenues	\$0	\$14,203	\$14,203
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	14,203	14,203
Other Financing Sources (uses):			
Transfers In	3,000,000	3,000,000	0
Total Other Financing Sources (Uses)	3,000,000	3,000,000	0
Net Change in Fund Balance	3,000,000	3,014,203	14,203
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u><u>\$3,000,000</u></u>	<u><u>\$3,014,203</u></u>	<u><u>\$14,203</u></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, 2023

	Park Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$296,609	\$296,609
Total Revenues	0	296,609	296,609
Expenditures:			
Capital Outlay	4,896,189	4,420,193	475,996
Total Expenditures	4,896,189	4,420,193	475,996
Excess of Revenues Over (Under) Expenditures	(4,896,189)	(4,123,584)	772,605
Other Financing Sources (uses):			
Transfers In	3,625,000	3,000,000	(625,000)
Total Other Financing Sources (Uses)	3,625,000	3,000,000	(625,000)
Net Change in Fund Balance	(1,271,189)	(1,123,584)	147,605
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,399,459	5,399,459	0
Fund Balance End of Year	<u><u>\$4,128,270</u></u>	<u><u>\$4,275,875</u></u>	<u><u>\$147,605</u></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, 2023

	Transformative Economic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$250,000	\$264,549	\$14,549
Other Revenues	0	41,178	41,178
Total Revenues	250,000	305,727	55,727
Expenditures:			
Capital Outlay	2,041,000	2,041,000	0
Total Expenditures	2,041,000	2,041,000	0
Excess of Revenues Over (Under) Expenditures	(1,791,000)	(1,735,273)	55,727
Other Financing Sources (uses):			
Transfers In	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	1,000,000	1,000,000	0
Net Change in Fund Balance	(791,000)	(735,273)	55,727
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,050,945	5,050,945	0
Fund Balance End of Year	\$4,259,945	\$4,315,672	\$55,727

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, 2023

Compensated Leave Fund (1)			
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$800	\$437	(\$363)
Total Revenues	800	437	(363)
Total Expenditures	0	0	0
Net Change in Fund Balance	800	437	(363)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	598,382	598,382	0
Fund Balance End of Year	\$599,182	\$598,819	(\$363)

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

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

The Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expense (including depreciation) of provide goods or services primarily or solely to the general public to be financed or recovered primarily through user charges.

Fund Descriptions

Solid Waste Management – This fund accounts for the provision of waste collection services for all residents in the City.

Recreation Facilities – 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.

City of Fairfield, Ohio
 Combining Statement of Net Position
 Nonmajor Enterprise Funds
 December 31, 2023

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Assets:			
Equity in Pooled Cash and Investments	\$513,642	\$1,195,830	\$1,709,472
Receivables (Net):			
Accounts	368,677	0	368,677
Inventory	0	26,737	26,737
Total Current Assets	882,319	1,222,567	2,104,886
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets	0	507,000	507,000
Depreciable Capital Assets, Net	0	2,265,905	2,265,905
Total Noncurrent Assets	0	2,772,905	2,772,905
Total Assets	882,319	3,995,472	4,877,791
Deferred Outflows of Resources:			
Pension	0	504,017	504,017
OPEB	0	80,544	80,544
Total Deferred Outflows of Resources	0	584,561	584,561
Liabilities:			
Current Liabilities:			
Accounts Payable	464,885	32,898	497,783
Accrued Wages and Benefits	0	29,731	29,731
Compensated Absences	0	22,563	22,563
Leases Payable	0	71,292	71,292
Claims Payable	0	255	255
Total Current Liabilities	464,885	156,739	621,624
Long-Term Liabilities:			
Compensated Absences	0	22,230	22,230
Net Pension Liability	0	1,243,121	1,243,121
Net OPEB Liability	0	27,185	27,185
Total Noncurrent Liabilities	0	1,292,536	1,292,536
Total Liabilities	464,885	1,449,275	1,914,160
Deferred Inflows of Resources:			
Pension	0	13,663	13,663
OPEB	0	9,375	9,375
Total Deferred Inflows of Resources	0	23,038	23,038
Net Position:			
Net Investment in Capital Assets	0	2,701,613	2,701,613
Unrestricted	417,434	406,107	823,541
Total Net Position	\$417,434	\$3,107,720	\$3,525,154

City of Fairfield, Ohio
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Nonmajor Enterprise Funds
 For the Fiscal Year Ended December 31, 2023

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$2,712,188	\$1,918,299	\$4,630,487
Other Revenues	0	53,883	53,883
Total Operating Revenues	<u>2,712,188</u>	<u>1,972,182</u>	<u>4,684,370</u>
Operating Expenses:			
Personal Services	0	962,385	962,385
Contractual Services	2,733,330	639,454	3,372,784
Materials and Supplies	0	457,835	457,835
Depreciation	0	279,949	279,949
Total Operating Expenses	<u>2,733,330</u>	<u>2,339,623</u>	<u>5,072,953</u>
Operating Income (Loss)	<u>(21,142)</u>	<u>(367,441)</u>	<u>(388,583)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	0	12,739	12,739
Interest (Expense)	0	(1,427)	(1,427)
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>11,312</u>	<u>11,312</u>
Income (Loss) Before Contributions and Transfers	<u>(21,142)</u>	<u>(356,129)</u>	<u>(377,271)</u>
Transfers In	<u>0</u>	<u>350,000</u>	<u>350,000</u>
Change in Net Position	<u>(21,142)</u>	<u>(6,129)</u>	<u>(27,271)</u>
Net Position - Beginning of Year	<u>438,576</u>	<u>3,113,849</u>	<u>3,552,425</u>
Net Position - End of Year	<u><u>\$417,434</u></u>	<u><u>\$3,107,720</u></u>	<u><u>\$3,525,154</u></u>

City of Fairfield, Ohio
 Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Fiscal Year Ended December 31, 2023

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,696,962	\$1,972,182	\$4,669,144
Cash Payments to Employees	0	(919,999)	(919,999)
Cash Payments to Suppliers	(2,714,992)	(1,092,441)	(3,807,433)
Net Cash Provided (Used) by Operating Activities	(18,030)	(40,258)	(58,288)
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	350,000	350,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	350,000	350,000
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	0	(130,815)	(130,815)
Debt and Lease Principal Payments	0	(70,393)	(70,393)
Debt and Lease Interest Payments	0	(1,427)	(1,427)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(202,635)	(202,635)
Cash Flows from Investing Activities:			
Earnings on Investments	0	12,856	12,856
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	12,856	12,856
Net Increase (Decrease) in Cash and Cash Equivalents	(18,030)	119,963	101,933
Cash and Cash Equivalents - Beginning of Year	531,672	1,075,867	1,607,539
Cash and Cash Equivalents - End of Year	513,642	1,195,830	1,709,472
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(21,142)	(367,441)	(388,583)
Adjustments:			
Depreciation	0	279,949	279,949
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	(15,226)	0	(15,226)
(Increase) Decrease in Inventory	0	(3,817)	(3,817)
(Increase) Decrease in Deferred Outflows of Resources	0	(436,258)	(436,258)
(Increase) Decrease in Net OPEB Asset	0	131,756	131,756
Increase (Decrease) in Claims Payable	0	(264)	(264)
Increase (Decrease) in Payables	18,338	8,665	27,003
Increase (Decrease) in Accrued Liabilities	0	(3,066)	(3,066)
Increase (Decrease) in Deferred Inflows of Resources	0	(565,603)	(565,603)
Increase (Decrease) in Net Pension Liability	0	888,636	888,636
Increase (Decrease) in OPEB Liability	0	27,185	27,185
Net Cash Provided (Used) by Operating Activities	(\$18,030)	(\$40,258)	(\$58,288)

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.

Custodial Funds

Custodial Funds are used to account for assets held by the City for individuals, private organizations, other governmental units.

Fund Descriptions

Fairfield Township Economic Development District 1 - To account for various economic development projects between Fairfield Township and the City of Fairfield.

Municipal Court - 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.

West Chester Joint Economic Development District 1 - 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, 2023

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$3,460,262	\$39,330	\$3,499,592
Total Current Assets	3,460,262	39,330	3,499,592
Deferred Outflows of Resources:			
Pension	0	335,397	335,397
OPEB	0	53,597	53,597
Total Deferred Outflows of Resources	0	388,994	388,994
Liabilities:			
Current Liabilities:			
Accounts Payable	792	16,190	16,982
Accrued Wages and Benefits	0	34,012	34,012
Compensated Absences	0	18,570	18,570
Claims Payable	214,016	187	214,203
Total Current Liabilities	214,808	68,959	283,767
Long-Term Liabilities:			
Compensated Absences	0	103,396	103,396
Net Pension Liability	0	827,231	827,231
Net OPEB Liability	0	18,090	18,090
Total Long-Term Liabilities	0	948,717	948,717
Total Liabilities	214,808	1,017,676	1,232,484
Deferred Inflows of Resources:			
Pension	0	9,092	9,092
OPEB	0	6,239	6,239
Total Deferred Inflows of Resources	0	15,331	15,331
Net Position:			
Unrestricted	3,245,454	(604,683)	2,640,771
Total Net Position	\$3,245,454	(\$604,683)	\$2,640,771

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, 2023

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$6,970,186	\$871,578	\$7,841,764
Other Revenues	3,380	379	3,759
Total Operating Revenues	6,973,566	871,957	7,845,523
Operating Expenses:			
Personal Services	0	663,862	663,862
Contractual Services	6,975,077	22,205	6,997,282
Materials and Supplies	0	392,721	392,721
Total Operating Expenses	6,975,077	1,078,788	8,053,865
Operating Income (Loss)	(1,511)	(206,831)	(208,342)
Non-Operating Revenues (Expenses):			
Investment Earnings	2,876	0	2,876
Total Non-Operating Revenues (Expenses)	2,876	0	2,876
Income (Loss) Before Contributions and Transfers	1,365	(206,831)	(205,466)
Transfers In	255,000	250,000	505,000
Change in Net Position	256,365	43,169	299,534
Net Position - Beginning of Year	2,989,089	(647,852)	2,341,237
Net Position - End of Year	\$3,245,454	(\$604,683)	\$2,640,771

City of Fairfield, Ohio
 Statement of Cash Flows
 Internal Service Funds
 For the Fiscal Year Ended December 31, 2023

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$6,973,566	\$871,957	\$7,845,523
Cash Payments to Employees	0	(693,163)	(693,163)
Cash Payments to Suppliers	0	(424,592)	(424,592)
Cash Payments for Claims	(6,806,205)	0	(6,806,205)
Net Cash Provided (Used) by Operating Activities	167,361	(245,798)	(78,437)
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	255,000	250,000	505,000
Net Cash Provided (Used) by Noncapital Financing Activities	255,000	250,000	505,000
Cash Flows from Investing Activities:			
Earnings on Investments	2,876	0	2,876
Net Cash Provided (Used) by Cash Flows from Investing Activities	2,876	0	2,876
Net Increase (Decrease) in Cash and Cash Equivalents	425,237	4,202	429,439
Cash and Cash Equivalents - Beginning of Year	3,035,025	35,128	3,070,153
Cash and Cash Equivalents - End of Year	3,460,262	39,330	3,499,592
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(1,511)	(206,831)	(208,342)
Changes in Assets & Liabilities:			
(Increase) Decrease in Deferred Outflows of Resources	0	(278,265)	(278,265)
(Increase) Decrease in Net OPEB Asset	0	98,374	98,374
Increase (Decrease) in Claims Payable	169,460	(97)	169,363
Increase (Decrease) in Payables	(588)	(9,666)	(10,254)
Increase (Decrease) in Accrued Liabilities	0	(5,793)	(5,793)
Increase (Decrease) in Deferred Inflows of Resources	0	(424,170)	(424,170)
Increase (Decrease) in Net Pension Liability	0	562,560	562,560
Increase (Decrease) in Net OPEB Liability	0	18,090	18,090
Net Cash Provided (Used) by Operating Activities	\$167,361	(\$245,798)	(\$78,437)

City of Fairfield, Ohio
 Combining Statement of Net Position
 Custodial Funds
 December 31, 2023

	Fairfield Township Joint Economic Development District 1	Municipal Court	West Chester Joint Economic Development District 1	Totals
Assets:				
Equity in Pooled Cash and Investments	\$89	\$62,409	\$187,702	\$250,200
Receivables (Net):				
Accounts	0	0	275,475	275,475
Total Assets	89	62,409	463,177	525,675
Liabilities:				
Accounts Payable	0	0	136,283	136,283
Total Liabilities	0	0	136,283	136,283
Net Position:				
Restricted for:				
Individuals, Organizations, and Other Governments	0	62,409	0	62,409
Economic Development	89	0	326,894	326,983
Total Net Position	\$89	\$62,409	\$326,894	\$389,392

City of Fairfield, Ohio
 Combining Statement of Changes in Net Position
 Custodial Funds
 For the Fiscal Year Ended December 31, 2023

	Fairfield Township Joint Economic Development District 1	Municipal Court	West Chester Joint Economic Development District 1	Totals
Additions:				
Investment Earnings	\$0	\$0	\$209	\$209
Municipal Court Receipts	0	1,217,430	0	1,217,430
Joint Economic Development District Receipts	89	0	2,474,736	2,474,825
Total Additions	89	1,217,430	2,474,945	3,692,464
Deductions:				
Municipal Court Disbursements	0	1,248,358	0	1,248,358
Joint Economic Development District Disbursements	0	0	2,562,978	2,562,978
Total Deductions	0	1,248,358	2,562,978	3,811,336
Change in Net Position	89	(30,928)	(88,033)	(118,872)
Net Position - Beginning of Year	0	93,337	414,927	508,264
Net Position - End of Year	\$89	\$62,409	\$326,894	\$389,392



STATISTICAL SECTION

City of Fairfield, Ohio

STATISTICAL SECTION

This part of the City's annual comprehensive 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 annual comprehensive 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

	2014	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$70,400,669	\$70,871,957	\$72,702,624	\$73,664,366	\$77,707,285	\$78,671,198	\$74,485,490	\$74,289,642	\$74,649,663	\$80,782,165
Restricted	16,288,586	15,892,445	18,160,599	20,743,247	22,525,145	24,601,200	32,170,370	34,773,809	42,140,398	46,462,460
Unrestricted	16,492,976	(5,843,139)	(5,913,774)	(30,084,299)	(32,132,889)	(18,294,804)	(22,347,006)	(4,387,301)	3,373,619	8,471,177
Total Governmental Activities Net Position	<u>\$103,182,231</u>	<u>\$80,921,263</u>	<u>\$84,949,449</u>	<u>\$64,323,314</u>	<u>\$68,099,541</u>	<u>\$84,977,594</u>	<u>\$84,308,854</u>	<u>\$104,676,150</u>	<u>\$120,163,680</u>	<u>\$135,715,802</u>
Business-type activities										
Net Investment in Capital Assets	\$38,873,969	\$39,709,765	\$40,221,046	\$39,221,993	\$38,133,776	\$37,401,334	\$37,067,270	\$34,374,363	\$33,248,528	\$32,459,897
Restricted	1,022,736	1,023,003	1,024,340	1,027,000	1,031,796	1,083,318	1,085,053	1,085,442	1,943,805	1,092,433
Unrestricted	9,242,621	5,784,274	4,814,362	2,516,460	5,581,039	7,583,053	11,391,294	15,922,885	15,794,505	22,733,508
Total Business-Type Activities Net Position	<u>\$49,139,326</u>	<u>\$46,517,042</u>	<u>\$46,059,748</u>	<u>\$42,765,453</u>	<u>\$44,746,611</u>	<u>\$46,067,705</u>	<u>\$49,543,617</u>	<u>\$51,382,690</u>	<u>\$50,986,838</u>	<u>\$56,285,838</u>
Total Primary Government										
Net Investment in Capital Assets	\$109,274,638	\$110,581,722	\$112,923,670	\$112,886,359	\$115,841,061	\$116,072,532	\$111,552,760	\$108,664,005	\$107,898,191	\$113,242,062
Restricted	17,311,322	16,915,448	19,184,939	21,770,247	23,556,941	\$25,684,518	33,255,423	35,859,251	44,084,203	47,554,893
Unrestricted	25,735,597	(58,865)	(1,099,412)	(27,567,839)	(26,551,850)	(\$10,711,751)	(10,955,712)	11,535,584	19,168,124	31,204,685
Total Primary Government Net Position	<u>\$152,321,557</u>	<u>\$127,438,305</u>	<u>\$131,009,197</u>	<u>\$107,088,767</u>	<u>\$112,846,152</u>	<u>\$131,045,299</u>	<u>\$133,852,471</u>	<u>\$156,058,840</u>	<u>\$171,150,518</u>	<u>\$192,001,640</u>

(1) - Restated for GASB Statement No. 75 Implementation

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$8,179,792	\$8,240,596	\$7,968,208	\$9,420,931	\$9,476,038	\$8,302,443	\$12,617,792	\$7,440,303	\$9,154,428	\$11,244,764
Public Safety	17,231,019	18,459,890	18,841,094	19,659,072	22,968,209	13,416,020	22,689,176	15,832,041	22,687,609	29,173,859
Community Development	1,483,394	1,094,499	1,950,158	2,088,857	2,117,719	968,163	1,644,000	1,015,903	1,619,909	2,687,755
Leisure Time Activities	3,294,693	3,020,368	3,746,235	3,523,300	3,643,483	3,083,191	3,957,029	3,173,971	3,987,994	4,905,986
Transportation and Street Repair	8,004,851	8,667,858	8,097,174	8,471,472	9,083,304	10,668,855	9,766,869	9,667,667	11,840,154	13,420,437
Basic Utility Service	442,800	441,845	458,368	464,115	502,866	444,198	483,211	488,930	362,300	555,039
Public Health and Welfare	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927
Interest and Fiscal Charges	815,863	780,363	732,471	696,672	562,058	514,315	381,288	220,424	161,071	149,743
Total Governmental Activities Expenses	39,473,993	40,726,667	41,814,833	44,345,381	48,374,259	37,417,976	54,575,812	37,861,422	49,833,835	62,867,510
Business-Type Activities:										
Water Utility	5,044,656	5,225,446	6,407,038	6,733,916	5,703,566	7,311,842	7,105,394	7,229,429	8,952,833	6,935,239
Sewer Utility	5,272,460	5,591,952	5,735,840	5,950,929	6,835,855	6,517,745	5,329,744	6,715,790	8,665,514	6,986,355
Solid Waste Management	2,173,408	2,216,074	2,259,529	2,295,473	2,328,509	2,378,343	2,436,344	2,486,619	2,582,473	2,733,330
Recreation Facilities	2,280,222	2,174,232	1,873,055	1,962,035	1,832,164	2,194,858	1,152,094	2,455,741	1,631,519	2,341,050
Total Business-Type Activities Expenses	14,770,746	15,207,704	16,275,462	16,942,353	16,700,094	18,402,788	16,023,576	18,887,579	21,832,339	18,995,974
Total Primary Government Expenses	\$54,244,739	\$55,934,371	\$58,090,295	\$61,287,734	\$65,074,353	\$55,820,764	\$70,599,388	\$56,749,001	\$71,666,174	\$81,863,484
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,802,079	\$1,795,353	\$1,422,096	\$1,930,245	\$1,899,530	\$2,120,563	\$1,884,468	\$2,147,617	\$2,603,634	\$2,442,428
Public Safety	1,162,252	1,144,227	1,130,784	1,101,654	1,187,677	1,251,438	1,053,317	1,175,084	1,415,445	1,987,536
Community Development	529,106	223,544	1,194,603	1,137,106	1,337,230	1,274,609	1,120,383	1,303,478	1,743,203	1,559,749
Leisure Time Activities	248,952	497,097	958,658	244,100	261,393	265,147	64,622	178,846	238,790	267,004
Transportation and Street Repair	37,452	593,242	1,705,115	39,889	35,065	39,230	0	0	0	0
Basic Utility Service	566,935	77,917	0	0	0	0	0	0	0	0
Operating Grants and Contributions	2,944,428	3,077,018	3,243,396	3,301,379	3,403,213	6,073,045	7,280,416	4,734,913	5,170,779	7,855,366
Capital Grants and Contributions	14,506	897,858	185,742	1,257,952	3,472,908	1,578,511	546,409	1,082,121	1,894,677	3,971,088
Total Governmental Activities Program Revenues	\$7,305,710	\$8,306,256	\$9,840,394	\$9,012,325	\$11,597,016	\$12,602,543	\$11,949,615	\$10,622,059	\$13,066,528	\$18,083,171

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	\$4,825,443	\$4,944,528	\$5,121,220	\$5,686,777	\$6,885,777	\$7,305,160	\$7,805,290	\$8,289,494	\$8,757,842	\$9,752,027
Sewer Utility	5,968,424	5,992,562	6,145,668	6,306,111	7,047,636	7,134,527	7,393,112	7,479,674	7,751,281	8,500,503
Solid Waste Management	2,165,612	2,218,507	2,261,648	2,273,206	2,346,009	2,359,581	2,451,999	2,487,148	2,556,126	2,712,188
Recreation Facilities	1,831,891	1,859,761	1,769,065	1,791,263	1,615,420	1,704,784	1,284,947	1,717,037	1,679,000	1,918,299
Operating Grants and Contributions	88,048	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions	900	12,090	0	0	0	64,868	0	0	0	0
Total Business-Type Activities Program Revenues	14,880,318	15,027,448	15,297,601	16,057,357	17,894,842	18,568,920	18,935,348	19,973,353	20,744,249	22,883,017
Total Primary Government Program Revenues	\$22,186,028	\$23,333,704	\$25,137,995	\$25,069,682	\$29,491,858	\$31,171,463	\$30,884,963	\$30,595,412	\$33,810,777	\$40,966,188
Net (Expense)/Revenue										
Governmental Activities	(\$32,168,283)	(\$32,420,411)	(\$31,974,439)	(\$35,333,056)	(\$36,777,243)	(\$24,815,433)	(\$42,626,197)	(\$27,239,363)	(\$36,767,307)	(\$44,784,339)
Business-type activities	109,572	(180,256)	(977,861)	(884,996)	1,194,748	166,132	2,911,772	1,085,774	(1,088,090)	3,887,043
Total Primary Government Net Expenses	(\$32,058,711)	(\$32,600,667)	(\$32,952,300)	(\$36,218,052)	(\$35,582,495)	(\$24,649,301)	(\$39,714,425)	(\$26,153,589)	(\$37,855,397)	(\$40,897,296)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$23,586,464	\$25,318,834	\$28,822,572	\$28,041,922	\$30,739,815	\$30,773,706	\$33,288,670	\$37,330,331	\$40,717,948	\$40,404,187
Property Taxes Levied for:										
General Purposes	1,987,282	1,636,590	1,439,432	1,677,991	1,540,349	1,722,680	1,490,543	1,786,540	1,958,925	2,082,536
Special Revenue Purposes	3,587,886	3,642,740	3,722,358	6,017,623	5,915,444	6,116,111	6,101,744	6,396,533	6,462,377	11,126,996
Grants and Entitlements not Restricted	1,580,380	1,194,667	1,413,792	1,092,049	1,194,021	1,417,520	1,440,893	1,339,306	2,214,961	1,724,887
Investment Earnings	140,964	185,456	147,846	423,476	663,060	1,120,183	280,478	(34,539)	(117,392)	3,439,857
Other Revenues	1,253,901	722,374	671,625	774,223	855,781	1,078,286	1,266,258	1,278,488	1,368,018	1,907,998
Transfers-Internal Activities	(295,000)	(315,000)	(215,000)	(175,000)	(355,000)	(535,000)	(490,000)	(490,000)	(350,000)	(350,000)
Total Governmental Activities	31,841,877	32,385,661	36,002,625	37,852,284	40,553,470	41,693,486	43,378,586	47,606,659	52,254,837	60,336,461
Business-Type Activities:										
Investment Earnings	24,544	11,405	28,592	81,541	179,666	411,729	69,958	(23,156)	(31,082)	755,824
Other Revenues	204,500	244,583	276,975	264,497	251,744	208,233	190,022	286,455	373,320	306,133
Transfers-Internal Activities	295,000	315,000	215,000	175,000	355,000	535,000	490,000	490,000	350,000	350,000
Total Business-Type Activities	524,044	570,988	520,567	521,038	786,410	1,154,962	749,980	753,299	692,238	1,411,957
Total Primary Government	\$32,365,921	\$32,956,649	\$36,523,192	\$38,373,322	\$41,339,880	\$42,848,448	\$44,128,566	\$48,359,958	\$52,947,075	\$61,748,418

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in Net Position										
Governmental Activities	(\$326,406)	(\$34,750)	\$4,028,186	\$2,519,228	\$3,776,227	\$16,878,053	\$752,389	\$20,367,296	\$15,487,530	\$15,552,122
Business-Type Activities	633,616	390,732	(457,294)	(363,958)	1,981,158	1,321,094	3,661,752	1,839,073	(395,852)	5,299,000
Total Primary Government	\$307,210	\$355,982	\$3,570,892	\$2,155,270	\$5,757,385	\$18,199,147	\$4,414,141	\$22,206,369	\$15,091,678	\$20,851,122

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Assigned	\$1,276,408	\$673,678	\$1,779,678	\$370,256	\$298,960	\$313,800	\$179,886	\$409,318	\$919,788	\$469,977
Unassigned	13,107,411	14,274,603	14,034,551	15,599,686	19,292,199	21,244,703	23,768,885	29,343,074	28,465,611	32,473,951
Total General Fund	<u>14,383,819</u>	<u>14,948,281</u>	<u>15,814,229</u>	<u>15,969,942</u>	<u>19,591,159</u>	<u>21,558,503</u>	<u>23,948,771</u>	<u>29,752,392</u>	<u>29,385,399</u>	<u>32,943,928</u>
All Other Governmental Funds										
Restricted	14,631,812	14,507,341	16,656,232	20,684,196	20,847,065	22,460,400	30,359,706	32,535,539	37,737,028	43,727,796
Assigned	186,814	164,254	148,835	118,002	57,567	55,917	46,998	46,518	5,028,695	7,380,067
Unassigned	(346,988)	(431,443)	(69,540)	(657,721)	(818,708)	(306,936)	(78,769)	0	0	0
Total all Other Governmental Funds	<u>\$14,471,638</u>	<u>\$14,240,152</u>	<u>\$16,735,527</u>	<u>\$20,144,477</u>	<u>\$20,085,924</u>	<u>\$22,209,381</u>	<u>\$30,327,935</u>	<u>\$32,582,057</u>	<u>\$42,765,723</u>	<u>\$51,107,863</u>

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$28,234,609	\$31,186,625	\$33,784,963	\$36,031,807	\$37,867,327	\$38,378,455	\$40,543,817	\$43,804,845	\$47,323,776	\$53,275,936
Charges for Services	2,675,730	2,747,915	2,598,343	2,698,535	2,796,234	2,929,600	2,726,764	2,809,802	3,216,346	3,493,016
Investment Earnings	142,171	175,768	135,229	431,784	675,646	1,093,906	311,715	(36,245)	(132,853)	3,421,820
Intergovernmental	5,461,873	5,446,943	5,934,448	5,191,496	8,417,569	8,210,034	9,665,620	7,094,239	9,328,126	13,524,843
Special Assessments	40,587	250,298	223,868	17,367	56,636	58,556	71,188	71,754	122,564	68,417
Fines, Licenses & Permits	1,859,215	1,784,422	1,975,184	2,140,372	2,093,158	2,303,782	1,899,532	2,425,952	3,172,232	2,848,840
Other Revenues	441,998	462,221	1,032,869	514,038	482,702	515,173	815,824	806,255	776,706	1,346,941
Total Revenues	\$38,856,183	\$42,054,192	\$45,684,904	\$47,025,399	\$52,389,272	\$53,489,506	\$56,034,460	\$56,976,602	\$63,806,897	\$77,979,813
Expenditures:										
Current:										
General Government	\$8,062,959	\$8,338,732	\$7,926,097	\$8,341,413	\$8,581,493	\$9,241,331	\$9,578,771	\$7,850,436	\$9,102,262	\$9,963,876
Public Safety	16,157,770	16,829,972	17,148,478	17,784,469	19,027,936	19,586,285	17,359,953	22,328,294	23,666,013	25,149,615
Community Development	1,434,544	1,457,640	1,555,296	1,465,974	1,412,325	1,431,198	1,463,355	1,443,679	1,730,355	2,583,177
Leisure Time Activities	2,526,615	2,588,912	2,565,624	2,598,885	2,665,024	2,808,303	2,627,991	2,764,872	3,251,186	3,688,034
Transportation and Street Repair	5,314,576	3,351,636	3,211,071	3,239,569	3,454,387	6,886,517	6,319,056	8,171,442	9,514,151	10,700,462
Basic Utility Service	442,800	441,845	458,368	464,115	502,866	444,198	483,211	488,930	362,300	555,039
Public Health and Welfare	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927
Capital Outlay	3,633,918	5,739,648	6,690,901	7,192,216	10,586,483	6,735,184	2,383,394	2,646,867	4,831,458	11,436,683
Debt Service:										
Principal Retirement	1,654,765	1,680,000	1,740,000	1,425,000	1,440,000	1,145,000	1,270,000	2,245,000	840,000	985,036
Interest and Fiscal Charges	835,371	800,002	747,541	630,909	581,485	528,942	341,487	223,264	158,696	147,426
Bond Issuance Cost	0	0	0	85,090	0	0	58,858	0	0	0
Total Expenditures	\$40,084,899	\$41,249,635	\$42,064,501	\$43,248,602	\$48,272,581	\$48,827,749	\$44,922,523	\$48,184,967	\$53,476,791	\$65,939,275

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (Deficiency) of Revenues Over Expenditures	(\$1,228,716)	\$804,557	\$3,620,403	\$3,776,797	\$4,116,691	\$4,661,757	\$11,111,937	\$8,791,635	\$10,330,106	\$12,040,538
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$73,910	\$68,419	\$155,920	\$77,776	\$973	\$164,044	\$28,027	\$56,108	\$111,567	\$96,331
Proceeds of Subscription Based Information Technology Arrangements	0	0	0	0	0	0	0	0	0	618,800
Sale of Refunding Bonds	0	0	0	3,615,000	0	0	5,345,000	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	(3,855,969)	0	0	(5,286,142)	0	0	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	326,059	0	0	0	0	0	0
Transfers In	6,531,244	3,900,000	8,074,458	4,950,000	2,376,763	3,465,127	6,277,532	4,672,378	12,558,860	9,714,652
Transfers (Out)	(7,026,244)	(4,440,000)	(8,489,458)	(5,325,000)	(2,931,763)	(4,200,127)	(6,967,532)	(5,462,378)	(13,183,860)	(10,569,652)
Total Other Financing Sources (Uses)	(421,090)	(471,581)	(259,080)	(212,134)	(554,027)	(570,956)	(603,115)	(733,892)	(513,433)	(139,869)
Net Change in Fund Balances	(\$1,649,806)	\$332,976	\$3,361,323	\$3,564,663	\$3,562,664	\$4,090,801	\$10,508,822	\$8,057,743	\$9,816,673	\$11,900,669
Debt service as a percentage of noncapital expenditures (1)	6.9%	6.5%	6.7%	5.6%	5.0%	3.9%	3.7%	5.4%	2.1%	2.1%

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	Assessed Value			Estimated Actual Value	Direct Rate
	Real Property	Public Utilities	Personal		
2014	\$914,754,880	\$34,544,460	\$949,299,340	\$2,637,907,192	5.94
2015	903,236,750	38,373,230	941,609,980	2,616,540,045	5.94
2016	903,187,030	41,633,890	944,820,920	2,625,462,586	8.44
2017	956,212,820	43,078,190	999,291,010	2,776,823,738	8.44
2018	1,000,644,150	47,648,580	1,048,292,730	2,912,989,418	8.44
2019	984,802,100	49,484,530	1,034,286,630	2,874,069,353	8.44
2020	1,154,528,940	55,581,820	1,210,110,760	3,362,648,368	8.44
2021	1,156,490,950	58,580,940	1,215,071,890	3,376,434,326	8.44
2022	1,153,419,586	58,655,933	1,212,075,519	3,368,108,029	10.54
2023	1,474,774,460	66,473,040	1,541,247,500	4,282,809,113	10.54

Source: County Auditor

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	Vocational School Levy
2014	0.99	0.30	4.65	5.94	9.72	65.80	1.93
2015	0.99	0.30	4.65	5.94	9.72	65.80	1.93
2016	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2017	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2018	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2019	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2020	0.99	0.30	7.15	8.44	9.22	63.30	1.93
2021	0.99	0.30	7.15	8.44	9.22	63.30	1.93
2022	0.99	0.30	9.25	10.54	9.22	63.30	1.93
2023	0.99	0.30	9.25	10.54	9.28	62.30	1.93

Source: County Auditor

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

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

2023 (1)

Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$71,917,113	4.67%
Cincinnati Financial Corp	13,955,266	0.91%
LIT Industrial Partnership	10,024,051	0.65%
Koch Foods of Cincinnati LLC	9,813,298	0.64%
Duke Reality Ohio	9,541,719	0.62%
Faith Village Park Apartments	9,458,983	0.61%
Villages of Wildwood Owner LLC	9,446,670	0.61%
VP Woodridge LLC	9,212,558	0.60%
Rajole LLC	9,142,916	0.59%
Camelot East Properties LLC	9,052,639	0.59%
	<u>\$161,565,212</u>	<u>10.49%</u>

2014 (2)

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

Source: County Auditor

(1) - Calendar Year 2023

(2) - Collection Year 2014

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
2014	\$5,245,233	\$5,081,457	96.88%	\$163,776	\$5,245,233	100.00%
2015	5,163,152	5,099,800	98.77%	63,352	5,163,152	100.00%
2016	5,200,000	5,162,354	99.28%	37,646	5,200,000	100.00%
2017	3,450,963	3,295,748	95.50%	115,784	3,411,532	98.86%
2018	4,362,689	3,877,743	88.88%	420,253	4,297,996	98.52%
2019	5,022,670	4,613,713	91.86%	342,147	4,955,860	98.67%
2020	5,557,878	5,144,863	92.57%	340,558	5,485,421	98.70%
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	8,323,630	8,231,692	98.90%	91,938	8,323,630	100.00%
2023	12,818,699	12,667,635	98.82%	151,064	12,818,699	100.00%

N/A - Information not available

Source: County Auditor

City of Fairfield, Ohio

Income Tax by Payer Type and Income Tax Rate

Last Ten Calendar Years

(cash basis of accounting)

Schedule 9

Calendar Year	Income Tax Rate	Withholding	Business	Individuals	Total	Percentage of Total			
						Withholding	Business	Individuals	Total
2014	1.50%	\$20,354,912	\$3,117,922	\$3,059,354	\$26,532,188	76.7%	11.8%	11.5%	100.0%
2015	1.50%	21,408,938	2,967,608	3,085,033	27,461,579	78.0%	10.8%	11.2%	100.0%
2016	1.50%	22,319,907	3,364,012	3,435,563	29,119,482	76.6%	11.6%	11.8%	100.0%
2017	1.50%	23,873,512	3,482,717	3,364,962	30,721,191	77.7%	11.3%	11.0%	100.0%
2018	1.50%	24,672,582	3,008,899	3,431,538	31,113,019	79.3%	9.7%	11.0%	100.0%
2019	1.50%	25,053,223	3,853,758	3,364,071	32,271,052	77.6%	11.9%	10.4%	100.0%
2020	1.50%	25,601,868	4,101,810	3,169,869	32,873,547	77.8%	12.5%	9.7%	100.0%
2021	1.50%	26,399,353	6,118,165	3,989,165	36,506,683	72.3%	16.8%	10.9%	100.0%
2022	1.50%	27,902,372	7,829,029	4,988,384	40,719,785	68.5%	19.2%	12.3%	100.0%
2023	1.50%	28,023,353	8,657,818	5,505,494	42,186,665	66.4%	20.5%	13.1%	100.0%

Source: City Finance Department

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

<u>2023</u>	
Name	Amount
Cincinnati Insurance Corporation	\$2,906,747
Bon Secours Mercy Health	1,836,270
Koch Meat Co Inc	1,514,323
Fairfield City School District	899,231
Pacific Manufacturing Ohio Inc	617,449
Martin Brower Co LLC	429,710
City of Fairfield	422,621
Veritiv Operating Company	335,092
Express Scripts Pharmacy Inc	277,477
Fedex Freight Inc	258,069
Total Collections - Principal Taxpayers	\$9,496,989
Total Collections	\$42,186,665
Combined percentage of total income taxes	22.5%
<u>2014</u>	
Name	Amount
Cincinnati Insurance Corporation	\$3,720,610
Liberty Mutual Group	1,397,872
Mercy Regional Health System	1,333,228
Fairfield Board of Education	596,135
Express Scripts Services Corporation	542,915
Pacific Mfg Ohio Inc.	399,363
Koch Meat Co Inc.	320,087
City of Fairfield	320,087
Martin Brower Co. LLC	242,696
Devco Holdings Inc.	192,136
Total Collections - Principal Taxpayers	\$9,065,129
Total Collections	\$26,532,188
Combined percentage of total income taxes	34.2%

Source: City Finance Department

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	SBITA Liability	OWDA Loans	General Obligation Bonds	Lease Liability			
2014	\$18,756,339	\$0	\$2,665,171	\$1,890,957	\$0	\$23,312,467	0.15%	\$548
2015	17,029,916	0	1,766,809	1,453,785	0	20,250,510	0.13%	476
2016	15,248,896	0	831,812	1,011,613	0	17,092,321	0.10%	402
2017	14,103,851	0	219,082	574,440	0	14,897,373	0.09%	350
2018	12,597,749	0	43,111	437,080	0	13,077,940	0.07%	308
2019	11,391,165	0	0	294,720	0	11,685,885	0.06%	275
2020	10,264,582	0	0	147,360	0	10,411,942	0.05%	245
2021	7,957,998	0	567,897	0	0	8,525,895	0.04%	190
2022	7,065,996	0	8,329,911	0	141,685	15,537,592	0.07%	346
2023	6,148,994	961,371	12,982,766	0	71,297	20,164,428	N/A	449

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		General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	Total General Obligation Bonds	Less: Restricted for Debt Service (1)	Net General Obligation Bonds			
2014	\$20,647,296	\$1,929,153	\$18,718,143	0.71%	\$440	
2015	18,483,701	1,829,128	16,654,573	0.64%	392	
2016	16,260,509	1,743,468	14,517,041	0.55%	341	
2017	14,678,291	1,763,686	12,914,605	0.47%	304	
2018	13,034,829	1,781,236	11,253,593	0.39%	265	
2019	11,685,885	1,821,273	9,864,612	0.34%	232	
2020	10,411,942	1,824,774	8,587,168	0.26%	202	
2021	7,957,998	1,818,818	6,139,180	0.18%	137	
2022	7,065,996	1,820,808	5,245,188	0.16%	117	
2023	6,148,994	1,856,158	4,292,836	0.10%	96	

Source: City Finance Department

(1) - Amount from Statement of Net Assets/Net Position

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, 2023
Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$18,486,960	11.74%	\$2,170,369
Hamilton County	124,816,000	0.00%	0
Fairfield Township	1,465,000	0.00%	0
Fairfield City School District	54,715,000	66.50%	36,385,475
Lakota Local School District	69,335,000	0.22%	152,537
Northwest Local School District	70,987,000	0.00%	0
Subtotal Overlapping Debt	<u>339,804,960</u>		<u>38,708,381</u>
City of Fairfield - Direct Debt	<u>6,148,994</u>	100.00%	<u>6,148,994</u>
Total Direct and Overlapping Debt	<u><u>\$345,953,954</u></u>		<u><u>\$44,857,375</u></u>

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Current Calendar Year

Assessed Value	\$1,541,247,500	\$1,541,247,500
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	161,830,988	84,768,613
Debt Applicable to Limit:		
Gross Indebtedness	6,220,291	6,220,291
Less: Restricted for Debt Service (2)	1,856,158	1,856,158
Total Net Debt Applicable to Limit	4,364,133	4,364,133
Legal Debt Margin	<u>\$157,466,855</u>	<u>\$80,404,480</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt Limit (1)										
Debt Limit (10.5%)	\$99,676,431	\$98,869,048	\$99,206,197	\$104,925,556	\$110,070,737	\$108,600,096	\$127,061,630	\$127,582,548	\$127,267,929	\$161,830,988
Total Net Debt Applicable to Limit	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180	5,245,188	4,364,133
Legal Debt Margin	<u>\$79,029,135</u>	<u>\$80,385,347</u>	<u>\$82,945,688</u>	<u>\$90,247,265</u>	<u>\$98,817,144</u>	<u>\$98,735,484</u>	<u>\$118,474,462</u>	<u>\$121,443,368</u>	<u>\$122,022,741</u>	<u>\$157,466,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.7%	18.7%	16.4%	14.0%	10.2%	9.1%	6.8%	4.8%	4.1%	2.7%
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$52,211,464	\$51,788,549	\$51,965,151	\$54,961,006	\$57,656,100	\$56,885,765	\$66,556,091	\$66,828,954	\$66,664,154	\$84,768,613
Total Net Debt Applicable to Limit	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180	5,245,188	4,364,133
Legal Debt Margin	<u>\$31,564,168</u>	<u>\$33,304,848</u>	<u>\$35,704,642</u>	<u>\$40,282,715</u>	<u>\$46,402,507</u>	<u>\$47,021,153</u>	<u>\$57,968,923</u>	<u>\$60,689,774</u>	<u>\$61,418,966</u>	<u>\$80,404,480</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.5%	35.7%	31.3%	26.7%	19.5%	17.3%	12.9%	9.2%	7.9%	5.1%

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

(2) - Amount from Statement of Net Assets/Net Position

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	
2014	\$676,237	\$0	\$0	N/A
2015	447,881	0	0	N/A
2016	383,176	0	0	N/A
2017	353,787	0	0	N/A
2018	298,208	0	0	N/A
2019	329,318	0	0	N/A
2020	325,955	0	0	N/A
2021	353,456	0	0	N/A
2022	348,052	0	0	N/A
2023	377,017	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)
2014	42,510	\$15,294,977	\$40,878	4.50%
2015	42,510	15,631,343	41,534	4.50%
2016	42,510	16,411,074	43,423	4.10%
2017	42,510	17,089,200	44,900	4.70%
2018	42,510	18,127,599	47,408	4.20%
2019	42,510	18,829,414	49,146	4.10%
2020	42,510	19,245,282	49,578	7.30%
2021	44,907	20,284,408	52,598	3.10%
2022	44,907	21,711,153	55,636	3.50%
2023	44,907	N/A	N/A	3.20%

Sources:

(1) - Population estimates provided by U.S. Census Bureau (2010 Census for years 2014 - 2020 and 2020 Census for years 2021 - 2023)

(2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(4) - Ohio Bureau of Employment Services

N/A - Information not available

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

2023

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(3)	(4)
Cincinnati Financial Corp.	Ins	(3)	(4)
Cornerstone Brants	Trade	(3)	(4)
Express Scripts	Serv	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
GE Aviation	Mfg	(3)	(4)
Koch Foods	Serv	(3)	(4)
Lakota Local Schools	Govt	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Miller Coors	Mfg	(3)	(4)
Tyson Foods	Mfg	(3)	(4)
UC Health West Chester Hospital	Serv	(3)	(4)

2014

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(3)	(4)
Butler County Government	Govt	(3)	(4)
Cincinnati Financial Corp	Ins	(3)	(4)
Cornerstone Brands Inc	Trade	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
GE Aviation	Mfg	(3)	(4)
Hamilton City Schools	Govt	(3)	(4)
Lakota Local Schools	Govt	(3)	(4)
Liberty Mutual/Ohio Casualty Corp	Ins	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Middletown Regional Health System	Serv	(3)	(4)
Miller Coors	Mfg	(3)	(4)
Pierre Foods	Mfg	(3)	(4)

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

(4) - 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Administration	5	10	10	12	12	11	9	8	11	10
City Council	1	1	1	1	1	1	1	1	1	1
Engineering	6	6	6	6	6	6	6	6	6	6
Facility/Janitors	1	1	1	1	1	2	1	2	2	2
Municipal Court	20	20	20	20	20	20	19	19	18	19
Finance	21	16	18	17	18	17	15	17	14	16
Public Safety										
Police										
Officers	57	57	58	58	60	60	61	63	63	63
Non-Sworn	20	20	20	18	19	19	20	21	24	24
Fire	28	27	28	31	34	34	34	44	57	62
Leisure Time Activities										
Parks and recreation	20	20	19	18	18	19	20	20	19	22
Community Development										
Planning and Zoning	4	4	3	4	4	4	3	4	3	3
Building Inspection	8	8	8	8	8	9	8	7	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	18	20	21	21	21	31	20	20	20	20
Wastewater	22	22	21	21	22	31	20	20	19	22
Transportation and Street Repair	27	28	27	28	28	29	27	27	27	26
Total	259	261	262	265	273	294	265	280	293	305

Source: City Finance Department

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community Environment										
Planning and Development										
Building permits issued	1,720	1,712	1,834	1,838	1,882	1,657	1,975	1,889	1,960	1,890
Building inspections conducted	2,542	2,554	3,229	3,477	2,858	2,502	2,454	2,956	3,127	3,248
Economic Development										
Value of Residential Construction	\$5,589,157	\$7,516,667	\$9,058,653	\$9,667,134	\$8,551,521	\$8,600,413	\$11,677,983	\$13,795,344	\$13,407,324	\$14,250,584
Value of Commercial Construction	\$25,374,335	\$35,644,173	\$122,371,102	\$56,811,744	\$49,150,566	\$39,144,492	\$38,068,302	\$85,216,371	\$186,006,906	\$129,068,985
General Government										
Finance Department - Income Tax										
Income Tax Refunds	959	1,022	847	819	985	1,417	800	743	1,892	1,921
Dollar Amount of Refunds	\$3,322,818	\$1,538,826	\$564,945	\$1,477,354	\$623,538	\$1,403,977	\$621,047	\$669,008	\$1,410,759	\$1,800,931
Average Refund Amount	\$3,465	\$1,506	\$667	\$1,804	\$633	\$991	\$776	\$900	\$746	\$937
Court										
Number of Criminal Cases	3,590	2,869	3,303	3,464	4,065	3,682	2,988	2,637	2,834	2,492
Number of Civil Cases	1,185	1,152	1,188	1,306	1,438	1,833	1,086	1,129	1,437	1,517
Construction Services										
Square Footage of Sidewalk Repairs	17,460	19,036	25,700	13,800	10,906	24,019	11,588	5,900	9,134	6,918
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	2,485	2,430	2,851	3,509	3,461	3,979	3,395	1,039	3,750	3,012
Juvenile	295	255	265	286	279	49	139	180	113	166
Citations	2,842	2,980	3,048	3,450	3,609	3,948	1,718	2,173	3,034	2,928
Accidents	1,322	1,440	1,358	1,386	1,447	2,039	1,626	1,793	1,815	1,626
Fire										
Emergency responses	5,870	4,972	5,593	6,089	5,453	5,956	5,323	5,988	6,331	6,452
Fire Calls	944	915	806	873	1,002	971	930	975	1,142	1,238
Inspections	1,934	1,846	1,460	1,441	1,752	1,427	938	1,427	1,400	1,263
Transportation										
Public Works										
Number of Street Miles Resurfaced	15	12	11	14	32	24	26	24	24	31
Tons of Street Salt Used	4,315	4,368	2,213	1,197	4,286	3,815	852	3,977	2,680	882
Cubic Yards of Leaves Picked-up	4,152	5,346	5,676	4,150	6,081	5,040	4,404	4,797	5,155	5,740

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leisure										
Parks and Recreation										
Number of Theater Patrons	14,120	14,158	15,336	13,562	12,630	13,615	2,213	9,633	11,025	13,788
Number of Pool Admissions	24,641	26,511	26,062	24,893	29,621	38,984	0	31,450	24,941	22,143
Program Attendance:										
Youth/Preschool	20,805	19,418	20,570	20,946	22,647	19,079	4,198	10,119	18,820	9,952
Fitness	8,976	5,659	5,838	6,600	8,502	6,656	2,207	5,316	5,684	9,994
Senior Activities	17,898	19,160	19,896	20,500	20,540	20,258	4,458	3,237	4,982	13,279
Water										
Water main breaks	81	56	71	59	72	59	55	65	70	46
Average daily consumption (millions of gallons)	4.998	4.597	5.219	5.430	5.340	5.650	5.650	5.780	5.680	5.860
Peak daily consumption (millions of gallons)	6.978	6.884	7.256	7.319	8.280	8.050	7.820	8.400	8.100	8.370
Wastewater										
Average daily sewage treatment (millions of gallons)	5.182	5.216	4.779	5.133	5.791	5.870	5.230	5.330	5.380	4.980

Source: Various City Departments

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Municipal Building (square footage)	19,281	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,333
Police Cruisers	21	25	28	24	24	24	24	24	24	24
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	4	4	4	4	4
Number of EMS Vehicles	4	4	4	4	4	4	4	5	4	4
Public Works										
Area of City (square miles)	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.85	20.85	20.85
Streets (miles)	166.3	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Highways (miles)	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27
Streetlights	2,983	2,983	2,986	2,986	2,986	2,995	3,005	3,021	3,044	3,060
Traffic signals	63	61	61	61	61	61	61	61	61	61
Parks and Recreation										
Number of Parks	29	37	35	35	36	37	37	30	30	32
Area of Parks (acreage)	538	665	659	827	827	839	839	736	736	826
Playgrounds	21	14	14	14	14	15	15	15	15	14
Baseball/softball diamonds	21	20	20	20	20	20	20	20	20	20
Soccer/football fields	17	15	15	15	15	15	15	15	15	15
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7	7	7	7	7	7	7	7	7	8
Water Mains (miles)	169	169	169	170	170	189	189	189	189	189
Fire hydrants	2,000	2,000	2,000	2,000	2,000	1,981	1,981	1,982	2,489	2,500
Sewers										
Treatment Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Sanitary Sewers (miles)	175	175	175	175	175	175	175	175	175	175

Source: Various City Departments

STATISTICAL SECTION

This part of the City's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

	2014	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$70,400,669	\$70,871,957	\$72,702,624	\$73,664,366	\$77,707,285	\$78,671,198	\$74,485,490	\$74,289,642	\$74,649,663	\$80,782,165
Restricted	16,288,586	15,892,445	18,160,599	20,743,247	22,525,145	24,601,200	32,170,370	34,773,809	42,140,398	46,462,460
Unrestricted	16,492,976	(5,843,139)	(5,913,774)	(30,084,299)	(32,132,889)	(18,294,804)	(22,347,006)	(4,387,301)	3,373,619	8,471,177
Total Governmental Activities Net Position	\$103,182,231	\$80,921,263	\$84,949,449	\$64,323,314	\$68,099,541	\$84,977,594	\$84,308,854	\$104,676,150	\$120,163,680	\$135,715,802
 Business-type activities										
Net Investment in Capital Assets	\$38,873,969	\$39,709,765	\$40,221,046	\$39,221,993	\$38,133,776	\$37,401,334	\$37,067,270	\$34,374,363	\$33,248,528	\$32,459,897
Restricted	1,022,736	1,023,003	1,024,340	1,027,000	1,031,796	1,083,318	1,085,053	1,085,442	1,943,805	1,092,433
Unrestricted	9,242,621	5,784,274	4,814,362	2,516,460	5,581,039	7,583,053	11,391,294	15,922,885	15,794,505	22,733,508
Total Business-Type Activities Net Position	\$49,139,326	\$46,517,042	\$46,059,748	\$42,765,453	\$44,746,611	\$46,067,705	\$49,543,617	\$51,382,690	\$50,986,838	\$56,285,838
 Total Primary Government										
Net Investment in Capital Assets	\$109,274,638	\$110,581,722	\$112,923,670	\$112,886,359	\$115,841,061	\$116,072,532	\$111,552,760	\$108,664,005	\$107,898,191	\$113,242,062
Restricted	17,311,322	16,915,448	19,184,939	21,770,247	23,556,941	\$25,684,518	33,255,423	35,859,251	44,084,203	47,554,893
Unrestricted	25,735,597	(58,865)	(1,099,412)	(27,567,839)	(26,551,850)	(10,711,751)	(10,955,712)	11,535,584	19,168,124	31,204,685
Total Primary Government Net Position	\$152,321,557	\$127,438,305	\$131,009,197	\$107,088,767	\$112,846,152	\$131,045,299	\$133,852,471	\$156,058,840	\$171,150,518	\$192,001,640

(1) - Restated for GASB Statement No. 75 Implementation

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$8,240,596	\$7,968,208	\$9,420,931	\$9,476,058	\$8,302,443	\$12,617,792	\$7,440,303	\$9,154,428	\$11,244,764	
Public Safety	18,459,890	18,841,094	19,659,072	22,968,209	13,446,020	22,689,176	15,832,041	22,687,609	29,173,859	
Community Development	1,483,394	1,094,499	1,950,158	2,088,857	2,117,719	968,163	1,644,000	1,015,903	1,619,909	2,687,755
Leisure Time Activities	3,294,693	3,020,368	3,746,235	3,523,300	3,643,483	3,083,191	3,957,029	3,173,971	3,387,994	4,905,986
Transportation and Street Repair	8,004,851	8,667,858	8,097,174	8,471,472	9,083,304	10,668,855	9,766,869	9,667,667	11,840,154	13,420,437
Basic Utility Service	442,800	441,845	458,368	464,115	502,866	444,198	483,211	488,930	362,300	555,039
Public Health and Welfare	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927
Interest and Fiscal Charges	835,863	780,363	732,471	696,672	562,058	514,315	381,288	220,424	161,071	149,743
Total Governmental Activities Expenses	39,473,993	40,726,667	41,814,833	44,345,381	48,374,259	37,417,976	54,575,812	37,861,422	49,833,835	62,867,510
Business-Type Activities:										
Water Utility	5,044,656	5,225,446	6,407,038	6,733,916	5,703,566	7,311,842	7,105,394	7,229,429	8,952,833	6,935,239
Sewer Utility	5,272,460	5,591,952	5,735,840	5,950,929	6,835,855	6,517,745	5,329,744	6,715,790	8,665,514	6,986,555
Solid Waste Management	2,113,408	2,216,074	2,259,529	2,295,473	2,328,509	2,378,343	2,436,344	2,486,619	2,582,473	2,733,330
Recreation Facilities	2,280,222	2,174,232	1,873,055	1,962,035	1,832,164	2,194,858	1,152,094	2,455,741	1,631,519	2,341,050
Total Business-Type Activities Expenses	14,770,746	15,207,704	16,275,462	16,942,353	16,700,094	18,402,788	16,023,576	18,887,579	21,832,339	18,995,974
Total Primary Government Expenses	\$54,244,739	\$55,934,371	\$58,090,295	\$61,287,734	\$65,074,353	\$55,820,764	\$70,599,388	\$56,749,001	\$71,666,174	\$81,863,484
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,802,079	\$1,795,353	\$1,422,096	\$1,930,245	\$1,899,530	\$2,120,563	\$1,884,468	\$2,147,617	\$2,603,634	\$2,442,428
Public Safety	1,162,252	1,144,227	1,130,784	1,101,654	1,187,677	1,251,438	1,053,317	1,175,084	1,415,445	1,987,536
Community Development	529,106	223,544	1,194,603	1,137,106	1,337,230	1,274,609	1,120,383	1,303,478	1,743,203	1,559,749
Leisure Time Activities	248,952	497,097	958,658	244,100	261,393	265,147	64,622	178,846	238,790	267,004
Transportation and Street Repair	37,452	593,242	1,705,115	39,889	35,065	39,230	0	0	0	0
Basic Utility Service	566,935	77,917	0	0	0	0	0	0	0	0
Operating Grants and Contributions	2,944,428	3,077,018	3,243,396	3,301,379	3,403,213	6,073,045	7,280,416	4,734,913	5,170,779	7,855,366
Capital Grants and Contributions	14,506	897,858	185,742	1,257,952	3,472,908	1,578,511	546,409	1,082,121	1,384,677	3,971,088
Total Governmental Activities Program Revenues	\$7,305,710	\$8,306,256	\$9,840,394	\$9,012,225	\$11,597,016	\$12,602,543	\$11,949,615	\$10,622,059	\$13,066,528	\$18,032,171

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	\$4,825,443	\$4,944,528	\$5,121,220	\$5,685,777	\$6,885,777	\$7,305,160	\$7,805,290	\$8,289,494	\$8,757,842	\$9,752,027
Sewer Utility	5,968,424	5,992,562	6,145,668	6,306,111	7,047,636	7,134,527	7,393,112	7,479,674	7,751,281	8,500,503
Solid Waste Management	2,165,612	2,218,507	2,261,648	2,273,206	2,346,009	2,359,581	2,451,99	2,487,148	2,558,126	2,712,188
Recreation Facilities	1,831,891	1,859,761	1,769,065	1,791,263	1,615,420	1,704,784	1,284,947	1,717,037	1,679,000	1,918,299
Operating Grants and Contributions	88,048	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions	900	12,090	0	0	0	0	64,868	0	0	0
Total Business-Type Activities Program Revenues	14,880,318	15,027,448	15,297,601	16,057,357	17,894,842	18,568,920	18,935,348	19,973,353	20,744,249	22,883,017
Total Primary Government Program Revenues	\$22,186,028	\$23,333,704	\$25,137,995	\$25,059,682	\$29,491,858	\$31,171,463	\$30,884,963	\$30,595,412	\$33,810,777	\$40,966,188
Net (Expense)/Revenue										
Governmental Activities	(\$32,168,283)	(\$32,420,411)	(\$31,974,439)	(\$35,333,056)	(\$36,777,243)	(\$24,815,433)	(\$42,626,197)	(\$27,239,363)	(\$36,767,307)	(\$44,784,339)
Business-Type activities	109,572	(180,256)	(977,861)	(884,996)	1,194,748	166,132	2,911,772	1,085,774	(1,088,090)	3,887,043
Total Primary Government Net Expenses	(\$32,058,711)	(\$32,600,667)	(\$32,052,300)	(\$36,218,052)	(\$35,582,495)	(\$24,649,301)	(\$39,714,425)	(\$26,153,589)	(\$37,855,397)	(\$40,897,796)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$23,586,464	\$25,318,834	\$28,822,572	\$28,041,922	\$30,739,815	\$30,773,706	\$33,288,670	\$37,330,331	\$40,717,948	\$40,404,187
Property Taxes Levied for:										
General Purposes	1,987,282	1,636,590	1,439,432	1,677,991	1,540,349	1,722,680	1,490,543	1,785,540	1,958,925	2,082,536
Special Revenue Purposes	3,587,886	3,642,740	3,722,358	6,017,623	5,915,444	6,116,111	6,101,744	6,396,533	6,462,377	11,126,996
Grants and Entitlements not Restricted	1,580,380	1,194,667	1,413,792	1,092,049	1,194,021	1,417,520	1,440,893	1,339,306	2,214,961	1,724,887
Investment Earnings	140,964	185,456	147,846	423,476	663,060	1,120,183	280,478	(34,539)	(117,392)	3,439,857
Other Revenues	1,253,901	722,374	671,625	774,223	855,781	1,078,286	1,266,258	1,278,488	1,368,018	1,907,998
Transfers-Internal Activities	(295,000)	(315,000)	(215,000)	(175,000)	(355,000)	(355,000)	(490,000)	(490,000)	(350,000)	(350,000)
Total Governmental Activities	31,841,877	32,385,661	36,002,625	37,852,284	40,53,470	41,693,486	43,378,586	47,606,659	52,254,837	60,336,461
Business-Type Activities:										
Investment Earnings	24,544	11,405	28,592	81,541	179,666	411,729	69,958	(23,156)	(31,082)	755,824
Other Revenues	204,500	244,583	276,975	264,497	251,744	208,233	190,022	286,455	373,320	306,133
Transfers-Internal Activities	295,000	315,000	215,000	175,000	355,000	535,000	490,000	490,000	350,000	350,000
Total Business-Type Activities	524,044	570,988	520,567	521,038	786,410	1,154,962	749,980	753,299	692,238	1,411,957
Total Primary Government	\$32,365,921	\$32,956,649	\$36,523,192	\$38,373,322	\$41,339,880	\$42,848,448	\$44,128,566	\$48,359,958	\$52,947,075	\$61,748,418

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in Net Position										
Governmental Activities	(\$326,406)	(\$34,750)	\$4,028,186	\$2,519,228	\$3,776,227	\$16,878,053	\$752,389	\$20,367,296	\$15,487,530	\$15,552,122
Business-Type Activities	633,616	390,732	(457,294)	(363,958)	1,981,158	1,321,094	3,661,752	1,839,073	(395,852)	5,299,000
Total Primary Government	\$307,210	=\$355,982	=\$3,570,892	=\$2,155,270	=\$5,757,385	=\$18,199,147	\$4,414,141	=\$22,206,369	=\$15,091,678	=\$20,851,122

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Assigned	\$1,276,408	\$673,678	\$1,779,678	\$370,256	\$298,960	\$313,800	\$179,886	\$409,318	\$919,788	\$469,977
Unassigned	13,107,411	14,274,603	14,034,551	15,599,686	19,297,199	21,244,703	23,768,885	29,343,074	28,465,611	32,473,951
Total General Fund	<u><u>14,383,819</u></u>	<u><u>14,948,281</u></u>	<u><u>15,814,229</u></u>	<u><u>15,969,942</u></u>	<u><u>19,591,159</u></u>	<u><u>21,558,503</u></u>	<u><u>23,948,771</u></u>	<u><u>29,752,392</u></u>	<u><u>29,385,399</u></u>	<u><u>32,943,928</u></u>
All Other Governmental Funds										
Restricted	14,631,812	14,507,341	16,656,232	20,684,196	20,847,065	22,460,400	30,359,706	32,535,539	37,737,028	43,727,796
Assigned	186,814	164,254	148,835	118,002	57,567	55,917	46,998	46,518	5,028,695	7,380,067
Unassigned	(346,988)	(431,443)	(69,540)	(657,721)	(818,708)	(306,936)	(78,769)	0	0	0
Total All Other Governmental Funds	<u><u>\$14,471,638</u></u>	<u><u>\$14,240,152</u></u>	<u><u>\$16,735,527</u></u>	<u><u>\$20,144,477</u></u>	<u><u>\$20,085,924</u></u>	<u><u>\$22,209,381</u></u>	<u><u>\$30,327,935</u></u>	<u><u>\$32,582,057</u></u>	<u><u>\$42,765,723</u></u>	<u><u>\$51,107,863</u></u>

Source: City Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$28,234,609	\$31,186,625	\$33,784,963	\$36,031,807	\$37,867,327	\$38,378,455	\$40,543,817	\$43,804,845	\$47,323,776	\$53,275,936
Charges for Services	2,675,730	2,747,915	2,598,343	2,688,535	2,796,234	2,929,600	2,726,764	2,809,802	3,216,346	3,493,016
Investment Earnings	142,171	175,768	135,229	431,784	675,646	1,093,906	311,715	(36,245)	(132,853)	3,422,820
Intergovernmental	5,461,873	5,446,943	5,934,448	5,191,496	8,417,569	8,210,034	9,665,620	7,094,239	9,328,126	13,524,843
Special Assessments	40,587	250,298	223,858	17,367	56,636	58,556	71,188	71,754	122,564	68,417
Fines, Licenses & Permits	1,859,215	1,784,422	1,975,184	2,140,372	2,093,158	2,303,782	1,899,532	2,425,952	3,172,232	2,848,840
Other Revenues	441,998	462,221	1,032,859	514,038	482,702	515,173	815,824	806,555	776,706	1,346,941
Total Revenues	\$38,856,183	\$42,054,192	\$45,684,904	\$47,025,399	\$52,389,272	\$53,489,506	\$56,034,460	\$56,976,602	\$63,806,897	\$77,979,813
Expenditures:										
Current:										
General Government	\$8,062,959	\$8,338,732	\$7,926,097	\$8,341,413	\$8,581,493	\$9,241,331	\$9,578,771	\$7,850,436	\$9,102,262	\$9,963,876
Public Safety	16,157,770	16,829,972	17,148,478	17,784,469	19,027,936	19,586,285	17,359,953	22,328,294	23,666,013	25,149,615
Community Development	1,434,544	1,457,640	1,555,296	1,465,974	1,412,325	1,431,198	1,463,355	1,443,679	1,730,355	2,583,177
Leisure Time Activities	2,526,615	2,588,912	2,565,624	2,558,885	2,665,024	2,808,303	2,627,991	2,764,872	3,251,186	3,688,034
Transportation and Street Repair	5,314,576	3,351,636	3,211,071	3,239,569	3,454,387	6,886,517	6,319,056	8,171,442	9,514,151	10,700,462
Basic Utility Service	442,800	441,845	458,358	464,115	502,866	444,198	483,211	488,930	362,300	555,039
Public Health and Welfare	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927
Capital Outlay	3,633,918	5,739,648	6,690,901	7,192,216	10,586,483	6,755,184	2,383,394	2,646,867	4,831,458	11,436,683
Debt Service:										
Principal Retirement	1,654,765	1,680,000	1,740,000	1,425,000	1,440,000	1,145,000	1,270,000	2,245,000	840,000	985,036
Interest and Fiscal Charges	835,371	800,002	747,541	630,909	581,485	528,942	341,487	223,264	158,696	147,426
Bond Issuance Cost	0	0	0	85,090	0	0	58,858	0	0	0
Total Expenditures	\$40,084,899	\$41,249,635	\$42,064,501	\$43,248,602	\$48,272,581	\$48,827,749	\$44,922,523	\$48,184,967	\$53,476,791	\$65,939,275

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (Deficiency) of Revenues Over Expenditures	(\$1,228,716)	\$804,557	\$3,620,403	\$3,776,797	\$4,116,691	\$4,661,757	\$11,111,937	\$8,791,635	\$10,330,106	\$12,040,538
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$73,910	\$68,419	\$155,920	\$77,776	\$973	\$164,044	\$28,027	\$56,108	\$111,567	\$96,331
Proceeds of Subscription Based Information Technology Arrangements	0	0	0	0	0	0	0	0	0	618,800
Sale of Refunding Bonds	0	0	0	3,615,000	0	0	5,345,000	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	(3,885,969)	0	0	(5,286,142)	0	0	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	326,059	0	0	0	0	0	0
Transfers In	6,531,244	3,900,000	8,074,458	4,950,000	2,376,763	3,465,127	6,277,532	4,672,378	12,558,860	9,714,652
Transfers (Out)	(7,026,244)	(4,440,000)	(8,489,458)	(5,325,000)	(2,931,763)	(4,200,127)	(6,967,532)	(5,462,378)	(13,183,860)	(10,569,652)
Total Other Financing Sources (Uses)	(421,090)	(471,581)	(259,080)	(212,134)	(554,027)	(570,956)	(603,115)	(733,892)	(513,433)	(139,369)
Net Change in Fund Balances	(\$1,649,806)	\$332,976	\$3,361,323	\$3,564,663	\$3,562,664	\$4,090,801	\$10,508,822	\$8,057,743	\$9,816,673	\$11,900,669
Debt service as a percentage of noncapital expenditures (1)	6.9%	6.5%	6.7%	5.6%	5.0%	3.9%	3.7%	5.4%	2.1%	2.1%

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	Assessed Value			Estimated Actual Value	Direct Rate		
	Public						
	Real Property	Utilities	Personal				
2014	\$914,754,880	\$34,544,460	\$949,299,340	\$2,637,907,192	5.94		
2015	903,236,750	38,373,230	941,609,980	2,616,540,045	5.94		
2016	903,187,030	41,633,890	944,820,920	2,625,462,586	8.44		
2017	956,212,820	43,078,190	999,291,010	2,776,823,738	8.44		
2018	1,000,644,150	47,648,580	1,048,292,730	2,912,989,418	8.44		
2019	984,802,100	49,484,530	1,034,286,630	2,874,069,353	8.44		
2020	1,154,528,940	55,581,820	1,210,110,760	3,362,648,368	8.44		
2021	1,156,490,950	58,580,940	1,215,071,890	3,376,434,326	8.44		
2022	1,153,419,586	58,655,933	1,212,075,519	3,368,108,029	10.54		
2023	1,474,774,460	66,473,040	1,541,247,500	4,282,809,113	10.54		

Source: County Auditor

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			Vocational School Levy
	General Fund	Police Levy	Fire/EMS Levy	Total	County Levy	School Levy		
2014	0.99	0.30	4.65	5.94	9.72	65.80		1.93
2015	0.99	0.30	4.65	5.94	9.72	65.80		1.93
2016	0.99	0.30	7.15	8.44	9.72	64.30		1.93
2017	0.99	0.30	7.15	8.44	9.72	64.30		1.93
2018	0.99	0.30	7.15	8.44	9.72	64.30		1.93
2019	0.99	0.30	7.15	8.44	9.72	64.30		1.93
2020	0.99	0.30	7.15	8.44	9.22	63.30		1.93
2021	0.99	0.30	7.15	8.44	9.22	63.30		1.93
2022	0.99	0.30	9.25	10.54	9.22	63.30		1.93
2023	0.99	0.30	9.25	10.54	9.28	62.30		1.93

Source: County Auditor

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

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

2023 (1)

Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$71,917,113	4.67%
Cincinnati Financial Corp	13,955,266	0.91%
LIT Industrial Partnership	10,024,051	0.65%
Koch Foods of Cincinnati LLC	9,813,298	0.64%
Duke Reality Ohio	9,541,719	0.62%
Faith Village Park Apartments	9,458,983	0.61%
Villages of Wildwood Owner LLC	9,446,670	0.61%
VP Woodridge LLC	9,212,558	0.60%
Rajole LLC	9,142,916	0.59%
Camelot East Properties LLC	9,052,639	0.59%
	<u>\$161,565,212</u>	<u>10.49%</u>

2014 (2)

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

Source: County Auditor

(1) - Calendar Year 2023

(2) - Collection Year 2014

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
2014	\$5,245,233	\$5,081,457	96.88%	\$163,776	\$5,245,233	100.00%
2015	5,163,152	5,099,800	98.77%	63,352	5,163,152	100.00%
2016	5,200,000	5,162,354	99.28%	37,646	5,200,000	100.00%
2017	3,450,963	3,295,748	95.50%	115,784	3,411,532	98.86%
2018	4,362,689	3,877,743	88.88%	420,253	4,297,996	98.52%
2019	5,022,670	4,613,713	91.86%	342,147	4,955,860	98.67%
2020	5,557,878	5,144,863	92.57%	340,558	5,485,421	98.70%
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	8,323,630	8,231,692	98.90%	91,938	8,323,630	100.00%
2023	12,818,699	12,667,635	98.82%	151,064	12,818,699	100.00%

N/A - Information not available

Source: County Auditor

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

Calendar Year	Income Tax Rate	Withholding	Business	Individuals	Total	Percentage of Total		
						Withholding	Business	Individuals
2014	1.50%	\$20,354,912	\$3,117,922	\$3,059,354	\$26,532,188	76.7%	11.8%	11.5%
2015	1.50%	21,408,938	2,967,608	3,085,033	27,461,579	78.0%	10.8%	11.2%
2016	1.50%	22,319,907	3,364,012	3,435,563	29,119,482	76.6%	11.6%	11.8%
2017	1.50%	23,873,512	3,482,717	3,364,962	30,721,191	77.7%	11.3%	11.0%
2018	1.50%	24,672,582	3,008,899	3,431,538	31,113,019	79.3%	9.7%	11.0%
2019	1.50%	25,053,223	3,853,758	3,364,071	32,274,052	77.6%	11.9%	10.4%
2020	1.50%	25,601,868	4,101,810	3,160,869	32,873,547	77.8%	12.5%	9.7%
2021	1.50%	26,399,353	6,118,165	3,989,165	36,506,683	72.3%	16.8%	10.9%
2022	1.50%	27,902,372	7,829,029	4,988,384	40,719,785	68.5%	19.2%	12.3%
2023	1.50%	28,023,553	8,657,818	5,505,494	42,186,665	66.4%	20.5%	13.1%

Source: City Finance Department

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

<u>2023</u>	
Name	Amount
Cincinnati Insurance Corporation	\$2,906,747
Bon Secours Mercy Health	1,836,270
Koch Meat Co Inc	1,514,323
Fairfield City School District	899,231
Pacific Manufacturing Ohio Inc	617,449
Martin Brower Co LLC	429,710
City of Fairfield	422,621
Veritiv Operating Company	335,092
Express Scripts Pharmacy Inc	277,477
Fedex Freight Inc	258,069
Total Collections - Principal Taxpayers	\$9,496,989
Total Collections	\$42,186,665
Combined percentage of total income taxes	22.5%
<u>2014</u>	
Name	Amount
Cincinnati Insurance Corporation	\$3,720,610
Liberty Mutual Group	1,397,872
Mercy Regional Health System	1,333,228
Fairfield Board of Education	596,135
Express Scripts Services Corporation	542,915
Pacific Mfg Ohio Inc.	399,363
Koch Meat Co Inc.	320,087
City of Fairfield	320,087
Martin Brower Co. LLC	242,696
Devco Holdings Inc.	192,136
Total Collections - Principal Taxpayers	\$9,065,129
Total Collections	\$26,532,188
Combined percentage of total income taxes	34.2%

Source: City Finance Department

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	SBITA Liability	OWDA Loans	General Obligation Bonds	Lease Liability			
2014	\$18,756,339	\$0	\$2,665,171	\$1,890,957	\$0	\$23,312,467	0.15%	\$548
2015	17,029,916	0	1,766,809	1,453,785	0	20,250,510	0.13%	476
2016	15,248,896	0	831,812	1,011,613	0	17,092,321	0.10%	402
2017	14,103,851	0	219,082	574,440	0	14,897,373	0.09%	350
2018	12,597,749	0	43,111	437,080	0	13,077,940	0.07%	308
2019	11,391,165	0	0	294,720	0	11,685,885	0.06%	275
2020	10,264,582	0	0	147,360	0	10,411,942	0.05%	245
2021	7,957,998	0	567,897	0	0	8,525,895	0.04%	190
2022	7,065,996	0	8,329,911	0	141,685	15,537,592	0.07%	346
2023	6,148,994	961,371	12,982,766	0	71,297	20,164,428	N/A	449

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		General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	Total General Obligation Bonds	Less: Restricted for Debt Service (1)	Net General Obligation Bonds			
2014	\$20,647,296	\$1,929,153	\$18,718,143	0.71%	\$440	
2015	18,483,701	1,829,128	16,654,573	0.64%	392	
2016	16,260,509	1,743,468	14,517,041	0.55%	341	
2017	14,678,291	1,763,686	12,914,605	0.47%	304	
2018	13,034,829	1,781,236	11,253,593	0.39%	265	
2019	11,685,885	1,821,273	9,864,612	0.34%	232	
2020	10,411,942	1,824,774	8,587,168	0.26%	202	
2021	7,957,998	1,818,818	6,139,180	0.18%	137	
2022	7,065,996	1,820,808	5,245,188	0.16%	117	
2023	6,148,994	1,856,158	4,292,836	0.10%	96	

Source: City Finance Department

(1) - Amount from Statement of Net Assets/Net Position

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, 2023

Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$18,486,960	11.74%	\$2,170,369
Hamilton County	124,816,000	0.00%	0
Fairfield Township	1,465,000	0.00%	0
Fairfield City School District	54,715,000	66.50%	36,385,475
Lakota Local School District	69,335,000	0.22%	152,537
Northwest Local School District	70,987,000	0.00%	0
Subtotal Overlapping Debt	<u>339,804,960</u>		<u>38,708,381</u>
City of Fairfield - Direct Debt	<u>6,148,994</u>	100.00%	<u>6,148,994</u>
Total Direct and Overlapping Debt	<u><u>\$345,953,954</u></u>		<u><u>\$44,857,375</u></u>

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Current Calendar Year							
Assessed Value				\$1,541,247,500	\$1,541,247,500		
Statutory Legal Debt Limitation (1)				10.5%	5.5%		
Total Debt Limitation				161,850,988	84,768,613		
Debt Applicable to Limit:							
Gross Indebtedness				6,148,994	6,148,994		
Less: Restricted for Debt Service (2)				1,856,158	1,856,158		
Total Net Debt Applicable to Limit							
Legal Debt Margin				4,292,836	4,292,836		
				\$157,538,152	\$80,475,777		
2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Limit (1)							
Debt Limit (10.5%)	\$99,676,431	\$98,869,048	\$99,206,197	\$104,925,556	\$110,070,737	\$108,600,096	\$127,061,630
Total Net Debt Applicable to Limit							
	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168
Legal Debt Margin							
	\$79,029,135	\$80,385,347	\$82,945,688	\$90,247,265	\$98,817,144	\$98,735,484	\$118,474,462
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.7%	18.7%	16.4%	14.0%	10.2%	9.1%	6.8%
Total Unvoted Debt Limit (1)							
Debt Limit (5.5%)	\$52,211,464	\$51,788,549	\$51,965,151	\$54,961,006	\$57,656,100	\$56,885,765	\$66,556,091
Total Net Debt Applicable to Limit							
	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168
Legal Debt Margin							
	\$31,564,168	\$33,304,848	\$35,704,642	\$40,282,715	\$46,402,507	\$47,021,153	\$57,988,923
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.5%	35.7%	31.3%	26.7%	19.5%	17.3%	12.9%
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

(2) - Amount from Statement of Net Assets/Net Position

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	
2014	\$676,237	\$0	\$0	N/A
2015	447,881	0	0	N/A
2016	383,176	0	0	N/A
2017	353,787	0	0	N/A
2018	298,208	0	0	N/A
2019	329,318	0	0	N/A
2020	325,955	0	0	N/A
2021	353,456	0	0	N/A
2022	348,052	0	0	N/A
2023	377,017	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)
2014	42,510	\$15,294,977	\$40,878	4.50%
2015	42,510	15,631,343	41,534	4.50%
2016	42,510	16,411,074	43,423	4.10%
2017	42,510	17,089,200	44,900	4.70%
2018	42,510	18,127,599	47,408	4.20%
2019	42,510	18,829,414	49,146	4.10%
2020	42,510	19,245,282	49,578	7.30%
2021	44,907	20,284,408	52,598	3.10%
2022	44,907	21,711,153	55,636	3.50%
2023	44,907	N/A	N/A	3.20%

Sources:

(1) - Population estimates provided by U.S. Census Bureau (2010 Census for years 2014 - 2020 and 2020 Census for years 2021 - 2023)

(2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(4) - Ohio Bureau of Employment Services

N/A - Information not available

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

2023

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(3)	(4)
Cincinnati Financial Corp.	Ins	(3)	(4)
Cornerstone Brants	Trade	(3)	(4)
Express Scripts	Serv	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
GE Aviation	Mfg	(3)	(4)
Koch Foods	Serv	(3)	(4)
Lakota Local Schools	Govt	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Miller Coors	Mfg	(3)	(4)
Tyson Foods	Mfg	(3)	(4)
UC Health West Chester Hospital	Serv	(3)	(4)

2014

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Population
AK Steel Holding Corp	Mfg	(3)	(4)
Butler County Government	Govt	(3)	(4)
Cincinnati Financial Corp	Ins	(3)	(4)
Cornerstone Brands Inc	Trade	(3)	(4)
Ft Hamilton Memorial Hospital	Serv	(3)	(4)
GE Aviation	Mfg	(3)	(4)
Hamilton City Schools	Govt	(3)	(4)
Lakota Local Schools	Govt	(3)	(4)
Liberty Mutual/Ohio Casualty Corp	Ins	(3)	(4)
Mercy Regional Hospital	Serv	(3)	(4)
Miami University	Govt	(3)	(4)
Middletown Regional Health System	Serv	(3)	(4)
Miller Coors	Mfg	(3)	(4)
Pierre Foods	Mfg	(3)	(4)

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

(4) - 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

Source: City Finance Department

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community Environment										
Planning and Development	1,720	1,712	1,834	1,838	1,882	1,657	1,975	1,889	1,960	1,890
Building permits issued	2,542	2,554	3,229	3,477	2,858	2,502	2,454	2,956	3,127	3,248
Building inspections conducted										
Economic Development										
Value of Residential Construction	\$5,589,157	\$7,516,667	\$9,058,653	\$9,667,134	\$8,551,521	\$8,600,413	\$11,677,983	\$13,795,344	\$13,407,324	\$14,250,584
Value of Commercial Construction	\$25,374,335	\$35,644,173	\$122,371,102	\$56,811,744	\$49,150,566	\$39,144,492	\$38,068,302	\$85,216,371	\$186,006,906	\$129,068,985
General Government										
Finance Department - Income Tax										
Income Tax Refunds	959	1,022	847	819	985	1,417	800	743	1,892	1,921
Dollar Amount of Refunds	\$3,322,818	\$1,538,826	\$564,945	\$1,477,354	\$623,538	\$1,403,977	\$621,047	\$669,008	\$1,410,759	\$1,800,931
Average Refund Amount	\$3,465	\$1,506	\$667	\$1,804	\$633	\$991	\$776	\$900	\$746	\$937
Court										
Number of Criminal Cases	3,590	2,869	3,303	3,464	4,065	3,682	2,988	2,637	2,834	2,492
Number of Civil Cases	1,185	1,152	1,188	1,306	1,438	1,833	1,086	1,129	1,437	1,517
Construction Services										
Square Footage of Sidewalk Repairs	17,460	19,036	25,700	13,800	10,906	24,019	11,588	5,900	9,134	6,918
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	2,485	2,430	2,851	3,509	3,461	3,979	3,395	1,039	3,750	3,012
Juvenile	295	255	265	286	279	49	139	180	113	166
Citations	2,842	2,980	3,048	3,450	3,609	3,948	1,718	2,173	3,034	2,928
Accidents	1,322	1,440	1,358	1,386	1,447	2,039	1,626	1,793	1,815	1,626
Fire										
Emergency responses	5,870	4,972	5,593	6,089	5,453	5,956	5,323	5,988	6,331	6,452
Fire Calls	944	915	806	873	1,002	971	930	975	1,142	1,238
Inspections	1,934	1,846	1,460	1,441	1,752	1,427	938	1,427	1,400	1,263
Transportation										
Public Works										
Number of Street Miles Resurfaced	15	12	11	14	32	24	26	24	24	31
Tons of Street Salt Used	4,315	4,368	2,213	1,197	4,286	3,815	852	3,977	2,680	882
Cubic Yards of Leaves Picked-up	4,152	5,346	5,676	4,150	6,081	5,040	4,404	4,797	5,155	5,740

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leisure										
Parks and Recreation										
Number of Theater Patrons	14,120	14,158	15,336	13,562	12,630	13,615	2,213	9,633	11,025	13,788
Number of Pool Admissions	24,641	26,511	26,062	24,893	29,621	38,984	0	31,450	24,941	22,143
Program Attendance:										
Youth/Preschool	20,805	19,418	20,570	20,946	22,647	19,079	4,198	10,119	18,820	9,952
Fitness	8,976	5,659	5,838	6,600	8,502	6,656	2,207	5,316	5,684	9,994
Senior Activities	17,898	19,160	19,896	20,500	20,540	20,258	4,458	3,237	4,982	13,279
Water										
Water main breaks	81	56	71	59	72	59	55	65	70	46
Average daily consumption (millions of gallons)	4,998	4,597	5,219	5,430	5,340	5,650	5,650	5,780	5,680	5,860
Peak daily consumption (millions of gallons)	6,978	6,884	7,256	7,319	8,280	8,050	7,820	8,400	8,100	8,370
Wastewater										
Average daily sewage treatment (millions of gallons)	5,182	5,216	4,779	5,133	5,791	5,870	5,230	5,330	5,380	4,980

Source: Various City Departments

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Municipal Building (square footage)	19,281	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033
Police Cruisers	21	25	28	24	24	24	24	24	24	24
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	4	4	4	4	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)	166.3	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Highways (miles)	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27
Streetlights	2,983	2,983	2,986	2,986	2,986	2,986	2,986	2,986	2,986	2,986
Traffic signals	63	61	61	61	61	61	61	61	61	61
Parks and Recreation										
Number of Parks	29	37	35	35	36	36	37	37	30	32
Area of Parks (acreage)	538	665	659	827	827	839	839	839	736	826
Playgrounds	21	14	14	14	14	14	15	15	15	14
Baseball/softball diamonds	21	20	20	20	20	20	20	20	20	20
Soccer/football fields	17	15	15	15	15	15	15	15	15	15
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7	7	7	7	7	7	7	7	7	8
Water Mains (miles)	169	169	169	170	170	189	189	189	189	189
Fire hydrants	2,000	2,000	2,000	2,000	2,000	1,981	1,981	1,982	2,489	2,500
Sewers										
Treatment Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Sanitary Sewers (miles)	175	175	175	175	175	175	175	175	175	175

Source: Various City Departments