

**CITY OF FAIRFIELD
BUTLER COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

**CITY OF FAIRFIELD
BUTLER COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report.....	Under separate cover
Prepared by Management:	
Annual Comprehensive Financial Report	Under separate cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	2
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 Uniform Guidance.....	4
Schedule of Findings and Questioned Costs	7
Schedule of Prior Audit Findings and Questioned Costs	8

CITY OF FAIRFIELD, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

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:			
S Gilmore Road	PID 114393	20.205	\$ 1,878,177
Total Highway Planning and Construction			1,878,177
Subtotal - U.S. Department of Transportation			<u>1,878,177</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Staffing for Adequate Fire and Emergency Response	EMW-2021-FF-00003	97.083	1,028,294
Assistance to Firefighters Grant	EMW-2022-FG-00001	97.044	63,290
Total Assistance to Firefighters Grant			63,290
Subtotal - U.S. Department of Homeland Security			<u>1,091,584</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-23-UC-39-0008	14.218	130,300
Total CDBG - Entitlement Grants Cluster			130,300
Subtotal - U.S. Department of Housing and Urban Development			<u>130,300</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	2,458,450
<i>Pass Through Butler County Board of County Commissioners:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	(FAIN) of SLFR3938	21.027	2,831,265
<i>Pass Through Ohio Emergency Management Agency:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	AFRR-376-HIR	21.027	420,276
Total Coronavirus State and Local Fiscal Recovery Funds			5,709,991
Subtotal - U.S. Department of the Treasury			<u>5,709,991</u>
Total Expenditures of Federal Awards			<u>\$ 8,810,052</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, the discretely presented component unit, 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, 2024, 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 27, 2025. We noted the City adopted new accounting guidance in Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
June 27, 2025

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, 2024. 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, 2024.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 27, 2025, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. 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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.

Cincinnati, Ohio

June 27, 2025

**CITY OF FAIRFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024**

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

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

Auditee qualified as low-risk auditee? Yes

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, 2024

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, 2024

CITY OF FAIRFIELD, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

**Prepared By:
Department of Finance
Diana Davenport, Director**



On the Cover

The fountain at Village Green Park in the Town Center. In the background is the Park's concert stage and brand-new playground.

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	I-7
Public Officials	I-12
Service Delivery Chart	I-13
Certificate of Achievement for Excellence in Financial Reporting	I-14
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to the Basic Financial Statements	29
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability	
Ohio Public Employees Retirement System - Traditional Plan	80
Schedule of the City's Proportionate Share of the Net Pension Liability	
Ohio Police and Fire Pension Fund	82
Schedule of City's Contributions for Net Pension Liability	
Ohio Public Employees Retirement System - Traditional Plan	84
Schedule of City's Contributions for Net Pension Liability	
Ohio Police and Fire Pension Fund	86
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)	
Ohio Public Employees Retirement System - Traditional Plan	88
Schedule of the City's Proportionate Share of the Net OPEB Liability	
Ohio Police and Fire Pension Fund	90
Schedule of City's Contributions to Postemployment Benefits Other Than Pension (OPEB)	
Ohio Public Employees Retirement System - Traditional Plan	92
Schedule of City's Contributions to Postemployment Benefits Other Than Pension (OPEB)	
Ohio Police and Fire Pension Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	96
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Levy Fund	99
Notes to the Required Supplementary Information	100

	<u>Page</u>
Combining Statements and Individual Fund Schedules:	
Major Governmental Fund	106
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Improvement Fund	107
Nonmajor Governmental Funds	108
Combining Balance Sheet	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	110
Nonmajor Special Revenue Funds:	
Fund Descriptions	112
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	118
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Street Construction, Maintenance and Repair Fund	122
State Highway Improvement Fund	123
County Motor Vehicle Registration Fund	124
Tax Recreation Fund	125
Law Enforcement Fund	126
Municipal Motor Vehicle Registration Fund	127
Law Enforcement and Education Fund	128
Drug and Alcohol Treatment Fund	129
Local Law Enforcement Fund	130
Probation Services Fund	131
Court Computer Fund	132
Special Projects Fund	133
Mediation Services Fund	134
Tax Increment Equivalent Fund	135
Indigent Driver Interlock Fund	136
America Rescue Plan Act Fund	137
Northeast Area TIF Fund	138
South Town Center TIF Fund	139
OneOhio Opioid Settlement Fund	140
Butler County - America Rescue Plan Act Fund	141
Nonmajor Debt Service Funds:	
Fund Descriptions	142
Combining Balance Sheet	143
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	144
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Bond Retirement Fund	145
Special Assessment Fund	146

	<u>Schedule</u>	<u>Page</u>
Nonmajor Capital Projects Funds:		
Fund Descriptions		147
Combining Balance Sheet		148
Combining Statement of Revenues, Expenditures and Changes in Fund Balance		150
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):		
Capital Improvement Fund		152
Flood Protection Fund		153
State Issue I Fund		154
Downtown Development Fund		155
Active Transportation And Capital Projects		156
Park Development Fund		157
Transformative Economic Fund		158
Sustainability Fund		159
Other General Fund:		
Fund Description		160
Compensated Leave Fund		161
Nonmajor Enterprise Funds:		
Fund Descriptions		162
Combining Statement of Net Position		163
Combining Statement of Revenues, Expenses and Changes in Fund Net Position		164
Combining Statement of Cash Flows		165
Nonmajor Funds:		
Fund Descriptions		166
Internal Service Funds:		
Combining Statement of Net Position		167
Combining Statement of Revenues, Expenses and Changes in Fund Net Position		168
Combining Statement of Cash Flows		169
Custodial Funds:		
Combining Statement of Net Position		170
Combining Statement of Changes in Net Position		171
STATISTICAL SECTION		
Statistical Section Description Page		173
Net Position by Component	1	175
Changes in Net Position	2	176
Fund Balances, Governmental Funds	3	179
Changes in Fund Balances, Governmental Funds	4	180
Assessed Value and Estimated Actual Value of Taxable Property	5	182
Direct and Overlapping Property Tax Rates	6	183
Principal Property Tax Payers	7	184
Property Tax Levies and Collections	8	185
Income Tax by Payer Type and Income Tax Rate	9	186
Principal Income Taxpayers	10	187
Ratios of Outstanding Debt by Type	11	188
Ratios of General Bonded Debt Outstanding	12	189
Direct and Overlapping Governmental Activities Debt	13	190
Legal Debt Margin Information	14	191
Pledged-Revenue Coverage	15	192
Demographic and Economic Statistics - Butler County	16	193
Major Employers	17	194
Full-Time Equivalent City Government Employees by Function/Program	18	195
Operating Indicators by Function/Program	19	196
Capital Asset Statistics by Function/Program	20	198

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INTRODUCTORY SECTION

City of Fairfield, Ohio

June 27, 2025

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, 2024, 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 2024, 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 2024:

- 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 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.

Future Projects

Accomplishments and significant capital projects to look forward to in 2025 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 begin the second phase of South Gilmore improvements between Resor Road and Parkland Hills Drive. The intention is to include a sidewalk along the west side of South Gilmore Road from Planet Drive to Boehm Drive which will create a continuous path between Route 4 and Mack Road on the west side of the road. This project is anticipated to cost \$1,870,000.

Tax Abatements

The City offers selective tax abatements as part of its strategic economic development efforts to attract and retain businesses that contribute to the community's growth. These incentives are granted with the expectation of promoting private investment, creating and retaining jobs, and expanding the City's tax base over time. While they may result in short-term reductions in property tax revenue, these programs are designed to generate long-term economic benefits through increased employment opportunities, infrastructure investment, and enhanced commercial and industrial activity. The City evaluates each abatement agreement carefully to ensure alignment with its long-term fiscal and community development goals.

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, 2024.

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:

		<u>2024</u>	<u>2023</u>
General Fund	1.20%	\$33,685,401	\$33,526,681
Street Improvement Fund	0.15%	4,210,675	4,190,835
Capital Improvement Fund	0.15%	<u>4,210,675</u>	<u>4,190,835</u>
Gross Revenues		<u>\$42,106,751</u>	<u>\$41,908,351</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.

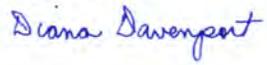
Acknowledgements

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

A handwritten signature in blue ink that reads "Scott W. Timmer". The signature is stylized with a large, looped 'S' and 'T'.

Scott W. Timmer
City Manager

A handwritten signature in blue ink that reads "Diana Davenport". The signature is written in a cursive style.

Diana Davenport
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
Debbie Pennington
Adam Kraft

APPOINTED OFFICIALS

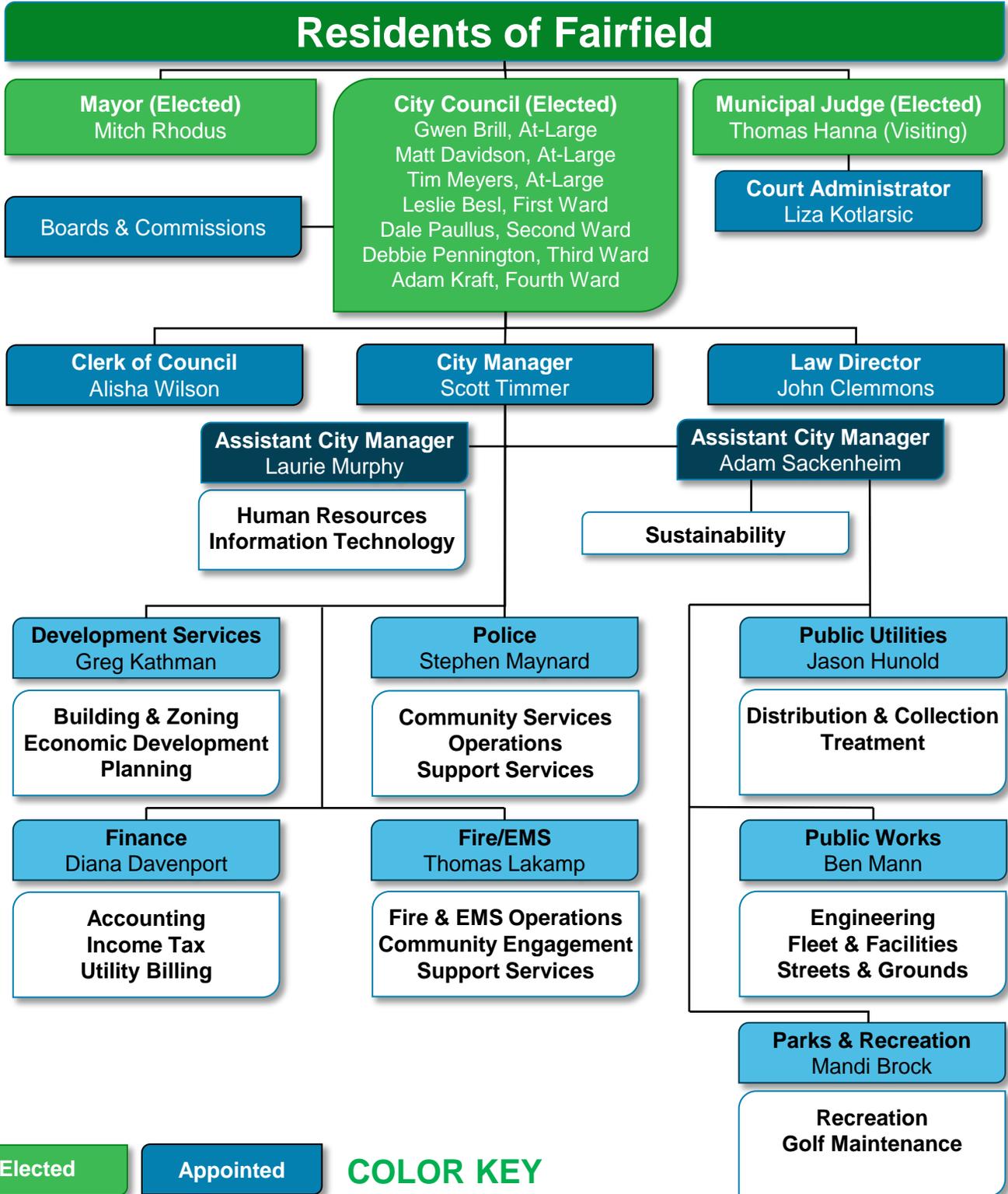
City Manager
Assistant City Manager
Assistant City Manager
Director of Finance
Director of Law
Director of Public Works
Director of Parks and Recreation
Director of Public Utilities
Director of Development Services
Chief of Police
Chief of Fire
Clerk of Council

Scott Timmer
Laurie Murphy
Adam Sackenheim
Diana Davenport
John Clemmons
Ben Mann
Mandi Brock
Jason Hunold
Greg Kathman
Steve Maynard
Thomas Lakamp
Alisha Wilson

DEPARTMENT OF FINANCE

Director of Finance
Income Tax Administrator
Payroll Administrator

Diana Davenport
Megan Burns
Karen Broughton



COLOR KEY

- Elected** (Green box)
- Appointed** (Dark Blue box)
- Department** (Light Blue box)
- Division** (White box)
- Asst. City Manager** (Dark Blue box)



Government Finance Officers Association

Certificate of
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Reporting

Presented to

**City of Fairfield
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



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, the discretely presented component unit, 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, 2024, 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, 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.

Emphasis of Matter

As discussed in Note 21 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

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 27, 2025, 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 27, 2025

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024
(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, 2024. 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 \$23,310,301. Net position of governmental activities increased \$19,434,695, net position of business-type activities increased by \$3,875,606.
- The general fund reported a fund balance of \$33,457,873.
- Business-type operations reflected operating income of \$2,990,755.
- The City had \$65,664,682 in expenses relating to governmental activities; program revenues offset \$21,047,773 of these expenses. General revenues and transfers of \$64,051,604 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, 2024
(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.

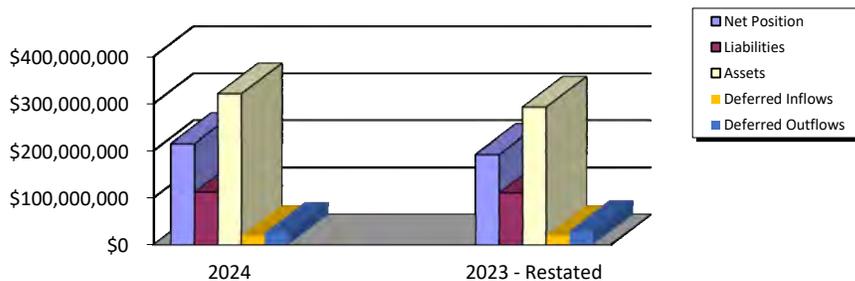
City of Fairfield, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended December 31, 2024
(Unaudited)

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 2024 compared to 2023.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 - Restated	2024	2023 - Restated	2024	2023 - Restated
Assets:						
Current and Other Assets	\$132,236,646	\$121,253,408	\$36,753,716	\$32,419,486	168,990,362	\$153,672,894
Capital Assets	94,987,321	87,679,088	56,579,848	50,773,955	151,567,169	138,453,043
Total Assets	227,223,967	208,932,496	93,333,564	83,193,441	320,557,531	292,125,937
Deferred Outflows of Resources:						
Deferred Charge on Refunding	180,081	213,442	0	0	180,081	213,442
OPEB	2,788,197	3,818,113	199,564	493,717	2,987,761	4,311,830
Pension	20,304,890	22,096,162	2,030,652	3,089,532	22,335,542	25,185,694
Total Deferred Outflows of Resources	23,273,168	26,127,717	2,230,216	3,583,249	25,503,384	29,710,966
Liabilities:						
Other Liabilities	4,778,481	9,245,807	10,072,585	8,346,170	14,851,066	17,591,977
Long-Term Liabilities	72,799,887	71,878,112	24,719,674	21,550,669	97,519,561	93,428,781
Total Liabilities	77,578,368	81,123,919	34,792,259	29,896,839	112,370,627	111,020,758
Deferred Inflows of Resources:						
Property Taxes	12,029,400	11,540,700	0	0	12,029,400	11,540,700
Grants and Other Taxes	278,894	239,307	0	0	278,894	239,307
Leases	1,669,042	1,793,740	273,302	286,967	1,942,344	2,080,707
OPEB	3,063,353	3,200,377	133,240	57,469	3,196,593	3,257,846
Pension	1,272,314	1,991,101	37,712	83,754	1,310,026	2,074,855
Total Deferred Inflows of Resources	18,313,003	18,765,225	444,254	428,190	18,757,257	19,193,415
Net Position:						
Net Investment In Capital Assets	89,202,414	80,782,165	33,317,830	32,459,897	122,520,244	113,242,062
Restricted	54,272,803	46,462,460	1,333,111	1,092,433	55,605,914	47,554,893
Unrestricted	11,130,547	7,926,444	25,676,326	22,899,331	36,806,873	30,825,775
Total Net Position	\$154,605,764	\$135,171,069	\$60,327,267	\$56,451,661	\$214,933,031	\$191,622,730



Total net position of the City as a whole increased \$23,310,301. Net position of the City’s governmental activities increased \$19,434,695, while the net position of the City’s business-type activities increased \$3,875,606 from 2023. 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 \$36,806,873. 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 2024 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, 2024
(Unaudited)

Table 2 shows the changes in net position at year-end and revenue and expense comparisons for 2024 to 2023.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 - Restated	2024	2023 - Restated	2024	2023 - Restated
Program Revenues:						
Charges for Services	\$5,847,925	\$6,256,717	\$24,131,533	\$22,883,017	\$29,979,458	\$29,139,734
Operating Grants and Contributions	11,038,635	7,855,366	0	0	11,038,635	7,855,366
Capital Grants and Contributions	4,161,213	3,971,088	0	0	4,161,213	3,971,088
Total Program Revenues	21,047,773	18,083,171	24,131,533	22,883,017	45,179,306	40,966,188
General Revenues:						
Income Taxes	42,161,151	40,404,187	0	0	42,161,151	40,404,187
Property Taxes	13,755,369	13,209,532	0	0	13,755,369	13,209,532
Grants and Entitlements	1,585,970	1,724,887	0	0	1,585,970	1,724,887
Investment Earnings	4,209,189	3,439,857	912,082	755,824	5,121,271	4,195,681
Other Revenues	2,745,828	1,907,998	246,185	306,133	2,992,013	2,214,131
Total General Revenues	64,457,507	60,686,461	1,158,267	1,061,957	65,615,774	61,748,418
Total Revenues	85,505,280	78,769,632	25,289,800	23,944,974	110,795,080	102,714,606
Program Expenses:						
General Government	11,099,586	11,387,108	0	0	11,099,586	11,387,108
Public Safety	30,737,473	29,436,673	0	0	30,737,473	29,436,673
Community Development	1,910,138	2,731,419	0	0	1,910,138	2,731,419
Liesure Time Activities	4,524,760	4,945,433	0	0	4,524,760	4,945,433
Transportation and Street Repair	13,586,955	13,476,901	0	0	13,586,955	13,476,901
Basic Utility Service	502,695	555,039	0	0	502,695	555,039
Public Health and Welfare	3,151,460	729,927	0	0	3,151,460	729,927
Interest and Other Charges	151,615	149,743	0	0	151,615	149,743
Water Utility	0	0	8,281,098	6,886,867	8,281,098	6,886,867
Sewer Utility	0	0	8,299,544	6,859,678	8,299,544	6,859,678
Solid Waste	0	0	2,843,164	2,742,556	2,843,164	2,742,556
Recreation	0	0	2,396,291	2,341,050	2,396,291	2,341,050
Total Program Expenses	65,664,682	63,412,243	21,820,097	18,830,151	87,484,779	82,242,394
Increase (Decrease) in Net Position before Transfers	19,840,598	15,357,389	3,469,703	5,114,823	23,310,301	20,472,212
Transfers - Internal Activities	(405,903)	(350,000)	405,903	350,000	0	0
Change in Net Position	19,434,695	15,007,389	3,875,606	5,464,823	23,310,301	20,472,212
Net Position - Beginning of Year - Restated	135,171,069	120,163,680	56,451,661	50,986,838	191,622,730	171,150,518
Net Position - End of Year	\$154,605,764	\$135,171,069	\$60,327,267	\$56,451,661	\$214,933,031	\$191,622,730

Governmental Activities

The City experienced an overall increase in revenues in 2024, primarily attributable to growth in property tax and income tax collections, increased investment earnings, and a rise in operating grants and contributions. The increase in property tax revenue was driven by both rising assessed property values and continued residential and commercial development. Income tax revenue growth reflected improved employment levels and business activity within the City. Investment earnings rose significantly due to higher interest rates and strategic cash management practices. Additionally, the City benefited from an increase in operating grants and contributions, including state and federal funding for infrastructure improvements, public safety enhancements, and community development initiatives. These revenue gains underscore the City's robust local economy and its ongoing efforts to leverage external funding sources to support operations and capital projects. Total expenses increased in 2024 compared to 2023,

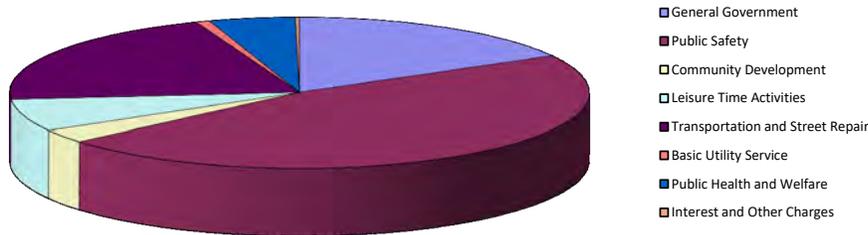
City of Fairfield, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended December 31, 2024
(Unaudited)

mainly due to higher costs in public safety services, street maintenance and repairs, and public health and welfare programs. These increases were driven by rising personnel costs, infrastructure improvements, and expanded community services, reflecting the City’s continued investment in essential services and resident well-being.

Revenues generated by the earnings tax represent approximately 49.5% of the City’s governmental activities revenues. The City’s 2024 earnings tax revenues increased approximately 4.35% when compared to 2023 earnings tax revenues.

Governmental Activities Program Expenses for the Current Year

	Percentage
General Government	16.90%
Public Safety	46.81%
Community Development	2.91%
Leisure Time Activities	6.89%
Transportation and Street Repair	20.69%
Basic Utility Service	0.77%
Public Health and Welfare	4.80%
Interest and Other Charges	0.23%
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, 2024
(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 Polices Services Facility. In order to fund this major capital investment Council asked the voters to change the allocation of the Income Tax revenues. In November of 2002, the citizens of Fairfield approved the change which, beginning in January of 2004, the current tax rate allocates 1.1% for the operating expenses of the General Fund, 0.2% for street construction, improvement and repair and 0.2% for capital improvements of a permanent nature.

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

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had operating income of \$2,990,755 for 2024. The operating revenues for business-type activities were \$24,377,718, while operating expenses were \$21,386,963 for 2024. The increase in operating income for 2024 was mainly due to a decrease in the City's operating expenses, in 2024 as compared to 2023.

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, 2024
(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, 2024
(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 \$81,781,978 (64%) of the total governmental fund assets.

General Fund: Fund balance at December 31, 2024 was \$33,457,873, an increase in fund balance of \$513,945 from 2023. The increase in the fund balance compared to the prior year was primarily the result of revenues exceeding expenditures, reflecting continued fiscal discipline, prudent budgetary management, stronger-than-anticipated revenue performance, and steady economic conditions within the City.

Fire Levy Fund: Fund balance at December 31, 2024 was \$8,085,930, an increase of \$3,897,377 from 2023. The increase in fund balance compared to the prior year was primarily attributable to higher intergovernmental revenues received in 2024, reflecting increased support from state or federal sources and enhanced funding allocations.

Street Improvement Fund: Fund balance at December 31, 2024 was \$10,998,302, a decrease in fund balance of \$1,631,864 from 2023. The decrease in fund balance was primarily due to a reduction in intergovernmental revenues, as fewer grant funds were received in 2024 for street repair and improvement projects completed across the City.

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, 2024
(Unaudited)

For the General Fund, the final budgeted expenditures were \$36,609,631 and the final actual expenditures were \$32,583,401. The difference was \$4,026,230. 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 2024. As the City completed the year, its General Fund balance reported an actual fund balance of \$30,685,005, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$151,567,169 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2024 balances compared to 2023:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$21,454,793	\$21,448,073	\$1,736,949	\$1,736,949	\$23,191,742	\$23,185,022
Construction in Progress	11,396,351	9,580,975	7,689,560	5,910,077	19,085,911	15,491,052
Buildings and Improvements	50,938,775	50,318,664	56,896,671	56,220,613	107,835,446	106,539,277
Equipment	21,538,608	19,946,339	6,190,930	5,839,505	27,729,538	25,785,844
Infrastructure	123,684,276	116,056,607	50,958,406	45,370,310	174,642,682	161,426,917
Lease Asset	0	0	0	70,547	0	70,547
Subscription Based Asset	1,081,407	1,081,407	0	0	1,081,407	1,081,407
Accumulated Depreciation	(135,106,889)	(130,752,977)	(66,892,668)	(64,374,046)	(201,999,557)	(195,127,023)
Total Net Capital Assets	\$94,987,321	\$87,679,088	\$56,579,848	\$50,773,955	\$151,567,169	\$138,453,043

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 \$5,964,988 in Governmental Activities long-term debt and \$17,428,018 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, 2024
(Unaudited)

Table 4
Outstanding Debt at Year End

	2024	2023
Governmental Activities:		
<u>General Obligation Bonds:</u>		
2017 Refunding of 2009 Various Purpose Golf and Justice Center	\$1,895,000	\$2,240,000
2020 Refunding of A Roadway Improvement Bonds	3,245,000	3,760,000
Premium on Issuances	124,196	148,994
SBITA Liability	700,792	961,371
Total Governmental Activities	<u>\$5,964,988</u>	<u>\$7,110,365</u>
Business Type Activities:		
<u>OWDA Loans from Direct Borrowing:</u>		
OWDA - WWTP Multi-Purpose Facility	\$2,192,302	\$2,309,197
OWDA - Smart Water Metering System	5,594,999	5,911,116
OWDA - Port Union Water Tower	5,340,796	4,762,453
OWDA - Wastewater Plant Aeration System Improvements	4,299,921	0
Lease Liability	0	71,292
Total Business Type Activities	<u>\$17,428,018</u>	<u>\$13,054,058</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 2024, 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 occurred 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 68 new jobs in the city. In total, the tenants in the park reported \$36.4 million in total payroll during 2024. Additional industrial parks are nearing completion, including Seward Pointe Commerce Park (550,000 square feet, 40% leased) and Fairfield Trade Center (600,000 square feet, 50% leased). Recent expansions of existing industrial companies also contributed to this growth, including projects at ART Metals Group, PNDE Services, C&T Design & Equipment, and Koch Foods. The Koch Foods project alone represents more than a \$250 million investment. Koch Foods is the City’s largest industrial employer (2,000 jobs) and largest utility user. This project substantially increased water and sewer use at the property, providing additional utility revenue to the City. In the final quarter of 2024, three major expansion projects were announced. These projects included 1) construction of a new \$93 million, 800,000 square foot facility for Hit Promotional Products, including creation of 100 new jobs; 2) expansion of an existing building to create the fifth building on the campus of Pacific Manufacturing, a \$60 million investment creating 96 new jobs; and 3) the expansion of Schneider Electric’s Fairfield facility and

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024
(Unaudited)

construction of a new 446,000 square foot facility for Schneider in the Fairfield-Fairfield Township JEDD, creating 100 new jobs in the city and bringing more than 200 jobs into the JEDD. These three projects are anticipated to generate more than \$400,000 in annual income tax 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.

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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Fairfield
Assets:				
Equity in Pooled Cash and Investments	\$97,811,990	\$32,327,598	\$130,139,588	\$353,867
Restricted Cash	0	1,100,659	1,100,659	0
Receivables (Net):				
Taxes	26,341,612	0	26,341,612	0
Accounts	628,979	2,590,996	3,219,975	0
Interest	185,729	40,674	226,403	0
Intergovernmental	4,994,823	0	4,994,823	0
Leases	1,735,959	273,584	2,009,543	0
Inventory	0	187,753	187,753	0
Net OPEB Asset	537,554	232,452	770,006	0
Property Held for Resale	0	0	0	5,346,500
Nondepreciable Capital Assets	32,851,144	9,426,509	42,277,653	0
Depreciable Capital Assets, Net	62,136,177	47,153,339	109,289,516	0
Total Assets	227,223,967	93,333,564	320,557,531	5,700,367
Deferred Outflows of Resources:				
Deferred Charge on Refunding	180,081	0	180,081	0
Pension	20,304,890	2,030,652	22,335,542	0
OPEB	2,788,197	199,564	2,987,761	0
Total Deferred Outflows of Resources	23,273,168	2,230,216	25,503,384	0
Liabilities:				
Accounts Payable	813,549	2,562,578	3,376,127	0
Accrued Wages and Benefits	1,434,559	233,952	1,668,511	0
Contracts Payable	1,372,909	0	1,372,909	0
Retainage Payable	141,405	794,545	935,950	0
Accrued Interest Payable	9,886	172,994	182,880	0
Due to Other Governments	15,880	219,402	235,282	0
Claims Payable	79,163	2,222	81,385	0
Other Liabilities	0	252,892	252,892	0
Unearned Revenue	911,130	0	911,130	0
General Obligation Notes Payable	0	5,834,000	5,834,000	0
Long-Term Liabilities:				
Due Within One Year	3,266,943	1,123,655	4,390,598	0
Due In More Than One Year				
Net Pension Liability	58,974,935	6,557,777	65,532,712	0
Net OPEB Liability	3,310,797	0	3,310,797	0
Other Amounts	7,247,212	17,038,242	24,285,454	0
Total Liabilities	77,578,368	34,792,259	112,370,627	0
Deferred Inflows of Resources:				
Property Taxes	12,029,400	0	12,029,400	0
Grants and Other Taxes	278,894	0	278,894	0
Leases	1,669,042	273,302	1,942,344	0
Pension	1,272,314	37,712	1,310,026	0
OPEB	3,063,353	133,240	3,196,593	0
Total Deferred Inflows of Resources	18,313,003	444,254	18,757,257	0
Net Position:				
Net Investment in Capital Assets	89,202,414	33,317,830	122,520,244	0
Restricted for:				
Debt Service	1,896,171	0	1,896,171	0
Capital Projects	30,457,604	1,100,659	31,558,263	0
Street Construction and Maintenance	5,628,382	0	5,628,382	0
Court Services	5,273,129	0	5,273,129	0
Public Safety	7,543,730	0	7,543,730	0
Tax increment Financing Projects	846,164	0	846,164	0
Grants	721,603	0	721,603	0
Net OPEB Asset	537,554	232,452	770,006	0
Other Purposes	1,368,466	0	1,368,466	0
Unrestricted	11,130,547	25,676,326	36,806,873	5,700,367
Total Net Position	\$154,605,764	\$60,327,267	\$214,933,031	\$5,700,367

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Fairfield
Governmental Activities:								
General Government	\$11,099,586	\$2,668,971	\$2,369,211	\$0	(\$6,061,404)	\$0	(\$6,061,404)	
Public Safety	30,737,473	1,640,817	2,108,865	3,221	(26,984,570)	0	(26,984,570)	
Community Development	1,910,138	1,255,453	0	322,258	(332,427)	0	(332,427)	
Leisure Time Activities	4,524,760	282,684	0	0	(4,242,076)	0	(4,242,076)	
Transportation and Street Repair	13,586,955	0	3,428,333	3,835,734	(6,322,888)	0	(6,322,888)	
Basic Utility Service	502,695	0	0	0	(502,695)	0	(502,695)	
Public Health and Welfare	3,151,460	0	3,132,226	0	(19,234)	0	(19,234)	
Interest and Other Charges	151,615	0	0	0	(151,615)	0	(151,615)	
Total Governmental Activities	65,664,682	5,847,925	11,038,635	4,161,213	(44,616,909)	0	(44,616,909)	
Business-Type Activities:								
Water Utility	8,281,098	10,646,392	0	0	0	2,365,294	2,365,294	
Sewer Utility	8,299,544	8,587,124	0	0	0	287,580	287,580	
Solid Waste	2,843,164	2,824,759	0	0	0	(18,405)	(18,405)	
Recreation	2,396,291	2,073,258	0	0	0	(323,033)	(323,033)	
Total Business-Type Activities	\$21,820,097	\$24,131,533	\$0	\$0	0	2,311,436	2,311,436	
Totals	\$87,484,779	\$29,979,458	\$11,038,635	\$4,161,213	(44,616,909)	2,311,436	(42,305,473)	
Component Unit:								
Community Improvement Corporation of Fairfield	\$198,984	\$83,478	\$3,315,100	\$180,000				\$3,379,594
General Revenues:								
Income Taxes					42,161,151	0	42,161,151	0
Property Taxes Levied for:								
General Purposes					2,486,700	0	2,486,700	0
Special Revenue Purposes					11,268,669	0	11,268,669	0
Grants and Entitlements, Not Restricted					1,585,970	0	1,585,970	0
Revenue in Lieu of Taxes					932,363	0	932,363	0
Investment Earnings					4,209,189	912,082	5,121,271	0
Other Revenues					1,813,465	246,185	2,059,650	14,851
Transfers-Internal Activities					(405,903)	405,903	0	0
Total General Revenues and Transfers					64,051,604	1,564,170	65,615,774	14,851
Change in Net Position					19,434,695	3,875,606	23,310,301	3,394,445
Net Position-Beginning of Year, As Previously Reported					135,715,802	56,285,838	192,001,640	0
Change to Financial Reporting Entity					0	0	0	2,305,922
Change in Accounting Principal					(544,733)	165,823	(378,910)	0
Net Position-Beginning of Year, As Restated					135,171,069	56,451,661	191,622,730	2,305,922
Net Position-End of Year					\$154,605,764	\$60,327,267	\$214,933,031	\$5,700,367

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2024

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$32,016,575	\$8,313,676	\$11,355,311	\$43,011,953	\$94,697,515
Receivables (Net):					
Taxes	13,121,128	10,388,062	1,416,211	1,416,211	26,341,612
Accounts	279,752	0	0	349,227	628,979
Interest	81,433	12,965	22,090	68,727	185,215
Intergovernmental	704,649	336,289	1,997,878	1,956,007	4,994,823
Leases	1,735,959	0	0	0	1,735,959
Total Assets	47,939,496	19,050,992	14,791,490	46,802,125	128,584,103
Liabilities:					
Accounts Payable	335,483	46,356	0	412,234	794,073
Accrued Wages and Benefits	865,257	448,297	0	90,316	1,403,870
Compensated Absences	104,171	0	0	11,745	115,916
Contracts Payable	0	0	1,099,762	273,147	1,372,909
Retainage Payable	0	0	141,405	0	141,405
Due to Other Governments	15,880	0	0	0	15,880
Claims Payable	8,191	3,491	0	694	12,376
Unearned Revenue	0	0	0	911,130	911,130
Total Liabilities	1,328,982	498,144	1,241,167	1,699,266	4,767,559
Deferred Inflows of Resources:					
Property Taxes	1,791,446	10,388,062	0	0	12,179,508
Income Taxes	8,795,748	0	1,099,469	1,099,469	10,994,686
Grants and Other Taxes	543,025	67,134	1,432,579	1,690,934	3,733,672
Special Assessments	166,468	0	0	0	166,468
Unavailable Revenue	186,912	11,722	19,973	411,368	629,975
Leases	1,669,042	0	0	0	1,669,042
Total Deferred Inflows of Resources	13,152,641	10,466,918	2,552,021	3,201,771	29,373,351
Fund Balances:					
Restricted	0	8,085,930	10,998,302	30,508,085	49,592,317
Assigned	334,833	0	0	11,393,003	11,727,836
Unassigned	33,123,040	0	0	0	33,123,040
Total Fund Balances	33,457,873	8,085,930	10,998,302	41,901,088	94,443,193
Total Liabilities, Deferred Inflows and Fund Balances	\$47,939,496	\$19,050,992	\$14,791,490	\$46,802,125	\$128,584,103

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, 2024

Total Governmental Fund Balance		\$94,443,193
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		94,987,321
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	10,994,686	
Delinquent Property Taxes	150,108	
Interest	167,464	
Intergovernmental	3,454,778	
Other Receivables	<u>628,979</u>	
		15,396,015
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		2,395,391
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.		
		(9,886)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(4,320,442)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		180,081
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	20,071,727	
Deferred inflows of resources related to pensions	(1,267,984)	
Deferred outflows of resources related to OPEB	2,765,283	
Deferred inflows of resources related to OPEB	<u>(3,048,054)</u>	
		18,520,972
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	510,864	
Net Pension Liability	(58,221,960)	
Net OPEB Liability	(3,310,797)	
Other Amounts	<u>(5,964,988)</u>	
		<u>(66,986,881)</u>
Net Position of Governmental Activities		<u>\$154,605,764</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, 2024

	General	Fire Levy	Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$2,482,413	\$11,243,741	\$0	\$0	\$13,726,154
Income Taxes	31,470,647	0	3,987,063	3,987,063	39,444,773
Charges for Services	2,089,693	1,918,030	0	0	4,007,723
Investment Earnings	1,851,930	285,140	489,306	1,461,442	4,087,818
Intergovernmental	1,824,305	2,083,256	2,277,381	8,737,082	14,922,024
Special Assessments	70,344	0	0	0	70,344
Fines, Licenses, Permits, and Settlements	1,864,276	5,300	0	865,529	2,735,105
Revenue in Lieu of Taxes	0	0	0	932,363	932,363
Other Revenues	578,142	1,991	456,917	54,685	1,091,735
Total Revenues	42,231,750	15,537,458	7,210,667	16,038,164	81,018,039
Expenditures:					
Current:					
General Government	9,234,468	0	0	553,854	9,788,322
Public Safety	14,300,942	11,625,321	0	44,745	25,971,008
Community Development	1,571,724	0	0	310,314	1,882,038
Leisure Time Activities	3,592,872	0	0	0	3,592,872
Transportation and Street Repair	0	0	4,328,127	6,526,504	10,854,631
Basic Utility Service	502,695	0	0	0	502,695
Public Health and Welfare	19,234	0	0	3,132,226	3,151,460
Capital Outlay	285,618	14,760	5,348,368	7,527,629	13,176,375
Debt Service:					
Principal	260,579	0	0	860,000	1,120,579
Interest and Other Charges	8,695	0	0	135,626	144,321
Total Expenditures	29,776,827	11,640,081	9,676,495	19,090,898	70,184,301
Excess of Revenues Over (Under) Expenditures	12,454,923	3,897,377	(2,465,828)	(3,052,734)	10,833,738
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	2,117	0	0	201,450	203,567
Transfers In	0	0	833,964	10,463,228	11,297,192
Transfers (Out)	(11,943,095)	0	0	0	(11,943,095)
Total Other Financing Sources (Uses)	(11,940,978)	0	833,964	10,664,678	(442,336)
Net Change in Fund Balance	513,945	3,897,377	(1,631,864)	7,611,944	10,391,402
Fund Balance—Beginning of Year	32,943,928	4,188,553	12,630,166	34,289,144	84,051,791
Fund Balance—End of Year	\$33,457,873	\$8,085,930	\$10,998,302	\$41,901,088	\$94,443,193

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, 2024

Net Change in Fund Balance - Total Governmental Funds \$10,391,402

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	13,146,375	
Depreciation Expense	<u>(5,835,398)</u>	
		7,310,977

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. (2,744)

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	4,232,212	
Pension Expense	(7,150,222)	
OPEB Contributions	68,324	
OPEB Expense	<u>(361,522)</u>	
		(3,211,208)

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

Income Taxes	2,716,378	
Delinquent Property Taxes	29,215	
Interest	121,371	
Intergovernmental	1,101,898	
Other	<u>317,556</u>	
		4,286,418

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. 1,120,579

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 1,269

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	(197,575)	
Amortization of Bond Premium	24,798	
Amortization of Deferred Charge on Refunding	<u>(33,361)</u>	
		(206,138)

(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, 2024

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	<u>(255,860)</u>
Change in Net Position of Governmental Activities	<u>\$19,434,695</u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds		Internal Service Funds
Current Assets:					
Equity in Pooled Cash and Investments	\$15,415,619	\$15,624,225	\$1,287,754	\$32,327,598	\$3,114,475
Restricted Cash	1,100,659	0	0	1,100,659	0
Receivables (Net):					
Accounts	1,050,125	1,167,474	373,397	2,590,996	0
Interest	17,277	21,399	1,998	40,674	514
Leases	273,584	0	0	273,584	0
Inventory	157,400	0	30,353	187,753	0
Total Current Assets	18,014,664	16,813,098	1,693,502	36,521,264	3,114,989
Noncurrent Assets:					
Net OPEB Asset	99,268	94,265	38,919	232,452	26,690
Capital Assets:					
Nondepreciable Capital Assets	3,261,717	5,657,792	507,000	9,426,509	0
Depreciable Capital Assets, Net	23,956,294	20,380,728	2,816,317	47,153,339	0
Total Noncurrent Assets	27,317,279	26,132,785	3,362,236	56,812,300	26,690
Total Assets	45,331,943	42,945,883	5,055,738	93,333,564	3,141,679
Deferred Outflows of Resources:					
Pension	867,182	823,477	339,993	2,030,652	233,163
OPEB	85,223	80,928	33,413	199,564	22,914
Total Deferred Outflows of Resources	952,405	904,405	373,406	2,230,216	256,077
Liabilities:					
Current Liabilities:					
Accounts Payable	1,084,434	926,763	551,381	2,562,578	19,476
Accrued Wages and Benefits	92,501	127,103	14,348	233,952	30,689
Compensated Absences	141,865	273,056	37,631	452,552	43,168
Retainage Payable	245,051	549,494	0	794,545	0
Accrued Interest Payable	157,871	15,123	0	172,994	0
Due to Other Governments	0	219,402	0	219,402	0
Claims Payable	929	982	311	2,222	66,787
Other Liabilities	252,892	0	0	252,892	0
General Obligation Notes Payable	5,324,000	510,000	0	5,834,000	0
Long-Term Liabilities Due Within One Year	309,901	361,202	0	671,103	0
Total Current Liabilities	7,609,444	2,983,125	603,671	11,196,240	160,120
Long-Term Liabilities:					
Compensated Absences	104,378	154,473	22,475	281,326	69,641
Bonds, Notes & Loans Payable	7,828,395	8,928,521	0	16,756,916	0
Net Pension Liability	2,800,473	2,659,333	1,097,971	6,557,777	752,975
Total Noncurrent Liabilities	10,733,246	11,742,327	1,120,446	23,596,019	822,616
Total Liabilities	18,342,690	14,725,452	1,724,117	34,792,259	982,736
Deferred Inflows of Resources:					
Leases	273,302	0	0	273,302	0
Pension	16,105	15,293	6,314	37,712	4,330
OPEB	56,900	54,032	22,308	133,240	15,299
Total Deferred Inflows of Resources	346,307	69,325	28,622	444,254	19,629
Net Position:					
Net Investment in Capital Assets	13,755,716	16,238,797	3,323,317	33,317,830	0
Restricted for:					
Capital Projects	1,100,659	0	0	1,100,659	0
Net OPEB Asset	99,268	94,265	38,919	232,452	26,690
Unrestricted	12,639,708	12,722,449	314,169	25,676,326	2,368,701
Total Net Position	\$27,595,351	\$29,055,511	\$3,676,405	\$60,327,267	\$2,395,391

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, 2024

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds		Internal Service Funds
Operating Revenues:					
Charges for Services	\$10,646,392	\$8,587,124	\$4,898,017	\$24,131,533	\$6,957,197
Other Revenues	159,100	37,914	49,171	246,185	6,913
Total Operating Revenues	<u>10,805,492</u>	<u>8,625,038</u>	<u>4,947,188</u>	<u>24,377,718</u>	<u>6,964,110</u>
Operating Expenses:					
Personal Services	2,893,962	2,942,366	982,052	6,818,380	753,015
Contactual Services	2,415,273	3,310,404	3,488,966	9,214,643	6,298,022
Materials and Supplies	1,498,007	623,133	456,005	2,577,145	420,007
Depreciation	1,117,254	1,347,637	311,904	2,776,795	0
Total Operating Expenses	<u>7,924,496</u>	<u>8,223,540</u>	<u>5,238,927</u>	<u>21,386,963</u>	<u>7,471,044</u>
Operating Income (Loss)	<u>2,880,996</u>	<u>401,498</u>	<u>(291,739)</u>	<u>2,990,755</u>	<u>(506,934)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	387,020	478,221	46,841	912,082	11,074
Interest (Expense)	(365,798)	(118,804)	(528)	(485,130)	0
Gain on Disposal of Capital Assets	9,196	42,800	0	51,996	0
Total Non-Operating Revenues (Expenses)	<u>30,418</u>	<u>402,217</u>	<u>46,313</u>	<u>478,948</u>	<u>11,074</u>
Income (Loss) Before Contributions and Transfers	<u>2,911,414</u>	<u>803,715</u>	<u>(245,426)</u>	<u>3,469,703</u>	<u>(495,860)</u>
Transfers In	<u>0</u>	<u>0</u>	<u>405,903</u>	<u>405,903</u>	<u>240,000</u>
Change in Net Position	<u>2,911,414</u>	<u>803,715</u>	<u>160,477</u>	<u>3,875,606</u>	<u>(255,860)</u>
Net Position-Beginning of Year, As Previously Reported	<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>
Change in Accounting Principal (GASB 101)	<u>48,372</u>	<u>126,677</u>	<u>(9,226)</u>	<u>165,823</u>	<u>10,480</u>
Net Position-Beginning of Year, As Restated	<u>24,683,937</u>	<u>28,251,796</u>	<u>3,515,928</u>	<u>56,451,661</u>	<u>2,651,251</u>
Net Position-End of Year	<u>\$27,595,351</u>	<u>\$29,055,511</u>	<u>\$3,676,405</u>	<u>\$60,327,267</u>	<u>\$2,395,391</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, 2024

	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	\$10,970,416	\$8,708,499	\$4,942,468	\$24,621,383	\$6,964,110
Cash Payments to Employees	(2,861,197)	(3,060,953)	(985,807)	(6,907,957)	(736,765)
Cash Payments to Suppliers	(3,597,042)	(3,086,408)	(3,894,989)	(10,578,439)	(448,440)
Cash Payments for Claims	0	0	0	0	(6,414,582)
Net Cash Provided (Used) by Operating Activities	4,512,177	2,561,138	61,672	7,134,987	(635,677)
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	405,903	405,903	240,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	405,903	405,903	240,000
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(2,752,755)	(4,980,817)	(862,316)	(8,595,888)	0
Debt Proceeds	5,974,119	4,809,921	0	10,784,040	0
Debt and Lease Principal Payments	(4,809,835)	(954,954)	(71,820)	(5,836,609)	0
Debt and Lease Interest Payments	(363,138)	(126,725)	0	(489,863)	0
Gain on the Disposal of Capital Assets	22,397	42,800	0	65,197	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,929,212)	(1,209,775)	(934,136)	(4,073,123)	0
Cash Flows from Investing Activities:					
Earnings on Investments	389,609	482,570	44,843	917,022	10,560
Net Cash Provided (Used) by Cash Flows from Investing Activities	389,609	482,570	44,843	917,022	10,560
Net Increase (Decrease) in Cash and Cash Equivalents	2,972,574	1,833,933	(421,718)	4,384,789	(385,117)
Cash and Cash Equivalents - Beginning of Year	13,543,704	13,790,292	1,709,472	29,043,468	3,499,592
Cash and Cash Equivalents - End of Year	16,516,278	15,624,225	1,287,754	33,428,257	3,114,475
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	2,880,996	401,498	(291,739)	2,990,755	(506,934)
Adjustments:					
Depreciation	1,117,254	1,347,637	311,904	2,776,795	0
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	139,527	83,461	(4,720)	218,268	0
(Increase) Decrease in Inventory	63,419	0	(3,616)	59,803	0
(Increase) Decrease in Deferred Outflows of Resources	471,498	670,380	211,155	1,353,033	132,917
(Increase) Decrease in Net OPEB Asset	(99,268)	(94,265)	(38,919)	(232,452)	(26,690)
Increase (Decrease) in Claims Payable	255	248	56	559	(147,416)
Increase (Decrease) in Retainage Payable	180,131	444,702	0	624,833	0
Increase (Decrease) in Other Liabilities	3,025	0	0	3,025	0
Increase (Decrease) in Payables	108,725	402,426	53,598	564,749	2,494
Increase (Decrease) in Accrued Liabilities	(62,804)	60,615	(9,296)	(11,485)	(2,000)
Increase (Decrease) in Deferred Inflows of Resources	3,221	7,259	5,584	16,064	4,298
Increase (Decrease) in Net Pension Liability	(227,583)	(689,587)	(145,150)	(1,062,320)	(74,256)
Increase (Decrease) in Net OPEB Liability	(66,219)	(73,236)	(27,185)	(166,640)	(18,090)
Net Cash Provided (Used) by Operating Activities	\$4,512,177	\$2,561,138	\$61,672	\$7,134,987	(\$635,677)

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2024

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	\$380,675
Receivables (Net):	
Accounts	317,608
Total Assets	<u>698,283</u>
Liabilities:	
Accounts Payable	<u>249,764</u>
Total Liabilities	<u>249,764</u>
Net Position:	
Restricted for:	
Individuals, Organizations, and Other Governments	41,167
Economic Development	<u>407,352</u>
Total Net Position	<u><u>\$448,519</u></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, 2024

	Custodial Funds
Additions:	
Investment Earnings	\$1,908
Municipal Court Receipts	1,328,158
Joint Economic Development District Receipts	<u>3,621,480</u>
Total Additions	<u>4,951,546</u>
Deductions:	
Municipal Court Disbursements	1,349,400
Joint Economic Development District Disbursements	<u>3,543,019</u>
Total Deductions	<u>4,892,419</u>
Change in Net Position	59,127
Net Position - Beginning of Year	<u>389,392</u>
Net Position - End of Year	<u><u>\$448,519</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, 2024

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. The City has included Community Improvement Corporation of Fairfield (Corporation) as a discretely presented component unit.

Discretely Presented Component Unit – The component unit column in the entity-wide financial statements includes the financial data of the City’s discretely presented component unit. It is reported in a separate column to emphasize its legal separation from the City. The Corporation was incorporated as an Ohio nonprofit organization for the sole purpose of advancing, encouraging, and promoting industrial, economic, and commercial development within the City of Fairfield. The relationship between the City and the Corporation exists to support the City’s development efforts. Financial statements for the Corporation are available from the City’s Finance Director.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Like the government-wide statements, all proprietary and custodial 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.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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

Fiduciary Funds

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net 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, 2024, but which were levied to finance year 2025 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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.

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 2024, 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 2024 amounted to \$1,851,930 in the general fund, \$285,140 in the fire levy fund, \$489,306 in the street improvement fund and \$1,461,442 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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, 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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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, 2024

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, 2024

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 \$55,605,914 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, 2024

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, 2024

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, 2024, \$23,215,302 of the City's bank balance of \$23,965,302 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, 2024:

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*	\$51,096,554		\$51,096,554	0.07
Commercial Paper	7,249,580	\$7,249,580		0.30
Federal National Mortgage Association	299,191	299,191		4.13
Federal Farm Credit Bank	5,686,847	5,686,847		2.77
Federal Home Loan Bank	4,679,402	4,679,402		3.63
Negotiable Certificate of Deposit	14,888,984	14,888,984		1.90
Federal Home Loan Mortgage Corporation	1,653,284	1,653,284		1.10
US Treasury Note	9,907,952	9,907,952		3.86
Municipal Bonds	1,009,736	1,009,736		2.46
Money Market Funds	12,636,357		12,636,357	0.00
	<u>\$109,107,887</u>	<u>\$45,374,976</u>	<u>\$63,732,911</u>	
Portfolio Weighted Average Maturity				1.02

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, 2024

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, 2024. 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 AAAM 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 9% in US Treasury Notes, 1% in Municipal Bonds, 1% in Federal National Mortgage Association, 2% in Federal Home Loan Mortgage Corporation, 5% in Federal Farm Credit Bank, 4% in Federal Home Loan Bank, 7% in Commercial Paper, 14% in Negotiable CDs, 46% in STAR Ohio, and 11% 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 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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	\$1,490,889,110
Public Utility	<u>72,643,060</u>
Total Valuation	<u><u>\$1,563,532,170</u></u>

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

The City receives property taxes from Butler County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024, 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 2024 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, 2024

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 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, and health claims payable for the City from January 1, 2023 to December 31, 2024:

Claims Payable	Amount
Claims Liability, 1/1/2023	\$60,380
Claims net of changes in estimates	2,876,643
Payments	<u>(2,712,020)</u>
Claims Liability, 12/31/2023	225,003
Claims net of changes in estimates	1,753,218
Payments	<u>(1,896,836)</u>
Claims Liability, 12/31/2024	<u><u>\$81,385</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, 2024

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$21,448,073	\$6,720	\$0	\$21,454,793
Construction in Progress	9,580,975	9,419,446	7,604,070	11,396,351
Capital Assets, being depreciated:				
Buildings and Improvements	50,318,664	620,111	0	50,938,775
Equipment	19,946,339	3,076,499	1,484,230	21,538,608
Infrastructure	116,056,607	7,627,669	0	123,684,276
Totals at Historical Cost	<u>217,350,658</u>	<u>20,750,445</u>	<u>9,088,300</u>	<u>229,012,803</u>
Less Accumulated Depreciation:				
Buildings and Improvements	35,195,976	1,474,153	0	36,670,129
Equipment	14,493,155	1,493,838	1,481,486	14,505,507
Infrastructure	80,948,194	2,597,055	0	83,545,249
Total Accumulated Depreciation	<u>130,637,325</u>	<u>5,565,046</u>	<u>1,481,486</u>	<u>134,720,885</u>
Capital Assets, Net	<u>86,713,333</u>	<u>15,185,399</u>	<u>7,606,814</u>	<u>94,291,918</u>
Subscription Based Asset (SBITA)				
	1,081,407	0	0	1,081,407
Less Accumulated Depreciation:				
Subscription Based Asset	115,652	270,352	0	386,004
Subscription Based Asset, Net	<u>965,755</u>	<u>(270,352)</u>	<u>0</u>	<u>695,403</u>
Total Governmental Activities Capital Assets, Net	<u>\$87,679,088</u>	<u>\$14,915,047</u>	<u>\$7,606,814</u>	<u>\$94,987,321</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$830,688
Public Safety	1,433,455
Leisure Time Activities	1,026,505
Community Development	7,633
Transportation	2,537,117
Total Depreciation Expense	<u>\$5,835,398</u>

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$1,736,949	\$0	\$0	\$1,736,949
Construction in Progress	5,910,077	7,113,355	5,333,872	7,689,560
Capital Assets, being depreciated:				
Buildings and Improvements	56,220,613	676,058	0	56,896,671
Equipment	5,839,505	552,251	200,826	6,190,930
Infrastructure	45,370,310	5,588,096	0	50,958,406
Totals at Historical Cost	<u>115,077,454</u>	<u>13,929,760</u>	<u>5,534,698</u>	<u>123,472,516</u>
Less Accumulated Depreciation:				
Buildings and Improvements	34,462,684	1,215,322	0	35,678,006
Equipment	4,019,747	449,463	187,626	4,281,584
Infrastructure	25,891,615	1,041,463	0	26,933,078
Total Accumulated Depreciation	<u>64,374,046</u>	<u>2,706,248</u>	<u>187,626</u>	<u>66,892,668</u>
Capital Assets, Net	<u>50,703,408</u>	<u>11,223,512</u>	<u>5,347,072</u>	<u>56,579,848</u>
Lease Assets:				
Equipment	211,638	0	0	211,638
Lease Asset	211,638	0	0	211,638
Less: Accumulated Amortization	141,091	70,547	0	211,638
Lease Asset, net	<u>70,547</u>	<u>(70,547)</u>	<u>0</u>	<u>0</u>
Total Business-type Activities Capital Assets, Net	<u>\$50,773,955</u>	<u>\$11,152,965</u>	<u>\$5,347,072</u>	<u>\$56,579,848</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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:

	Rate	Beginning Balance	Issued	Retired	Ending Balance
Water Utility Fund:					
Various Purpose Series 2023	4.13%	\$3,320,000	\$0	\$3,320,000	\$0
Various Purpose Series 2023	4.13%	1,260,000	0	1,260,000	0
Various Purpose Series 2024	4.38%	0	1,500,000	0	1,500,000
Various Purpose Series 2024	4.38%	0	3,824,000	0	3,824,000
Sewer Utility Fund:					
Various Purpose Series 2023	4.13%	680,000	0	680,000	0
Various Purpose Series 2024	2.50%	0	510,000	0	510,000
Total Notes Payable		<u>\$5,260,000</u>	<u>\$5,834,000</u>	<u>\$5,260,000</u>	<u>\$5,834,000</u>

The City issued a combined \$5,834,000 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, 2024

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%	\$2,240,000	\$0	(\$345,000)	\$1,895,000	\$350,000
2020 Refunding of A Roadway						
Improvement Bonds	3.74%	3,760,000	0	(515,000)	3,245,000	520,000
Premium on Issuances		148,994	0	(24,798)	124,196	0
Total General Obligation Bonds		6,148,994	0	(884,798)	5,264,196	870,000
Net Pension Liability		57,106,194	1,868,741	0	58,974,935	0
Net OPEB Liability		3,377,974	0	(67,177)	3,310,797	0
Total Net Pension/OPEB Liability		60,484,168	1,868,741	(67,177)	62,285,732	0
SBITA Liability		961,371	0	(260,579)	700,792	258,948
Compensated Absences		4,172,093	377,074	0	4,549,167	2,137,995
Total Governmental Activities		\$71,766,626	\$2,245,815	(\$1,212,554)	\$72,799,887	\$3,266,943

		Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities						
<u>OWDA Loans from Direct Borrowing</u>						
OWDA #9261 - WWTP Multi-Purpose Facility	0.43%	\$2,309,197	\$0	(\$116,895)	\$2,192,302	\$117,399
OWDA #9870 - Smart Water Metering System	3.05%	5,911,116	0	(316,117)	5,594,999	325,832
OWDA #9871 - Port Union Water Tower	3.17%	4,762,453	650,119	(71,776)	5,340,796	146,985
OWDA #10415 - Wastewater Plant Aeration System Improvements	3.64%	0	4,299,922	0	4,299,922	80,887
Total OWDA Loans from Direct Borrowing		12,982,766	4,950,041	(504,788)	17,428,019	671,103
Net Pension Liability		7,620,097	0	(1,062,320)	6,557,777	0
Net OPEB Liability		166,640	0	(166,640)	0	0
Total Net Pension/OPEB Liability		7,786,737	0	(1,228,960)	6,557,777	0
Lease Liability		71,292	0	(71,292)	0	0
Compensated Absences		709,874	24,004	0	733,878	452,552
Total Business-Type Activities		\$21,550,669	\$4,974,045	(\$1,805,040)	\$24,719,674	\$1,123,655

The City's bonds, loans, SBITA liability, and lease liability will be paid from the General Fund, 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

The City’s outstanding OWDA loans from direct borrowings of \$17,428,019 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 Wastewater Plant Aeration System Improvements OWDA loan was not disbursed as of year-end and an amortization schedule is not available.

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
2025	\$870,000	\$111,634	\$590,216	\$350,776
2026	900,000	97,770	600,133	335,713
2027	920,000	76,108	615,652	320,194
2028	935,000	53,780	631,641	304,205
2029	955,000	30,852	648,114	287,732
2030-2034	560,000	7,392	3,505,680	1,173,545
2035-2039	0	0	3,588,153	679,923
2040-2044	0	0	1,636,568	323,779
2045-2049	0	0	1,311,940	106,153
Total	<u>\$5,140,000</u>	<u>\$377,536</u>	<u>\$13,128,097</u>	<u>\$3,882,020</u>

*-Does not include Wastewater Plant Aeration System Improvements, 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
2025	\$258,948	\$17,787	\$276,735
2026	273,357	11,214	284,571
2027	168,487	4,278	172,765
	<u>\$700,792</u>	<u>\$33,279</u>	<u>\$734,071</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2024 was \$155,606. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

Note 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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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 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. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

<u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<u>Group C</u> 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

Traditional plan state and local 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 at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's original 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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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 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>
2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2024 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

For 2024, the City's contractually required contribution was \$1,986,970, of this amount \$181,623 is reported in accrued wages and benefits.

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.op-f.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, surviving beneficiaries under optional plans, and statutory survivors. 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
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 \$2,913,948 for 2024, of this amount \$230,000 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, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. 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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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$21,722,933	\$43,809,779	\$65,532,712
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08297400%	0.45345260%	
Prior Measurement Date	0.08333400%	0.42224720%	
Change in Proportionate Share	-0.00036000%	0.03120540%	
Pension Expense	\$2,201,635	\$5,591,127	\$7,792,762

At December 31 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$355,043	\$1,406,422	\$1,761,465
Changes in assumptions	0	2,768,730	2,768,730
Net difference between projected and actual earnings on pension plan investments	4,384,614	4,964,570	9,349,184
Changes in employer proportionate share of net pension liability	0	3,555,245	3,555,245
Contributions subsequent to the measurement date	1,986,970	2,913,948	4,900,918
Total Deferred Outflows of Resources	\$6,726,627	\$15,608,915	\$22,335,542
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$489,962	\$489,962
Changes in assumptions	0	665,303	665,303
Changes in employer proportionate share of net pension liability	124,924	29,837	154,761
Total Deferred Inflows of Resources	\$124,924	\$1,185,102	\$1,310,026

\$4,900,918 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, 2025. 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	OPERS		
December 31:	Traditional Plan	OPF	Total
2025	\$983,484	\$3,051,091	\$4,034,575
2026	1,457,588	3,283,742	4,741,330
2027	2,798,014	4,260,172	7,058,186
2028	(624,353)	309,594	(314,759)
2029	0	587,637	587,637
Thereafter	0	17,629	17,629
Total	\$4,614,733	\$11,509,865	\$16,124,598

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>
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 2024, 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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of 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 a gain of 11.2 percent for 2023.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2023, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$34,197,734	\$21,722,933	\$11,347,524

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Actuarial Assumptions – OP&F

The total pension liability is determined by OP&F actuaries in accordance with GASB Statement No.67, as part of their annual valuation. Actuarial valuations of an ongoing retirement 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 were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
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

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 131.0 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.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: Assumptions are geometric.

* Levered 2.0x

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 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

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$58,029,316	\$43,809,779	\$31,984,852

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. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

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. 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. 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.

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:

Age 65 or older Retirees - Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees - Based on the following age-and-service criteria

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Age 59 or younger - Based on the following age-and-service criteria:

Group A - 30 years of total service with at least 20 years of qualified health care service credit;

Group B – 31 years of total service credit with at least 20 years of qualified health care service credit;

or

Group C - 32 years of total service credit with at least 20 years of qualified 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, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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 2024, 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 City's contractually required contribution to OP&F was \$68,324 for 2024.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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 (Asset)	(\$770,006)	\$0	(\$770,006)
Net OPEB Liability	0	3,310,797	3,310,797
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08531700%	0.45345260%	
Prior Measurement Date	0.08538000%	0.42224720%	
Change in Proportionate Share	-0.00006300%	0.03120540%	
OPEB Expense	(\$118,737)	\$446,053	\$327,316

At December 31 2024, 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	\$159,207	\$159,207
Changes in assumptions	198,238	1,139,277	1,337,515
Net difference between projected and actual earnings on pension plan investments	462,433	244,481	706,914
Changes in employer proportionate share of net OPEB liability	395	715,406	715,801
Contributions subsequent to the measurement date	0	68,324	68,324
Total Deferred Outflows of Resources	\$661,066	\$2,326,695	\$2,987,761
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$109,594	\$608,428	\$718,022
Changes in assumptions	331,003	2,132,077	2,463,080
Changes in employer proportionate share of net OPEB liability	766	14,725	15,491
Total Deferred Inflows of Resources	\$441,363	\$2,755,230	\$3,196,593

\$68,324 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2025	(\$20,051)	\$231,730	\$211,679
2026	35,939	(60,978)	(25,039)
2027	359,963	1,176	361,139
2028	(156,148)	(192,191)	(348,339)
2029	0	(220,141)	(220,141)
Thereafter	0	(256,455)	(256,455)
Total	\$219,703	(\$496,859)	(\$277,156)

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, 2022, rolled forward to the measurement date of December 31, 2023. 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	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The OPERS's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 real 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 real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, 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	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

Discount Rate

A single discount rate of 5.70 percent was used to measure the total OPEB liability (asset) on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-year Municipal GO AA Index.") The projection of cash flows used to

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 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 (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Proportionate share of the net OPEB liability (asset)	\$423,172	(\$770,006)	(\$1,758,383)

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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 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 care 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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	(\$801,980)	(\$770,006)	(\$733,726)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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 assumptions about future employment, mortality, salary increases, disabilities, retirements and

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.07 percent
Prior measurement date	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

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 135.0 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 131.0 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.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.0x

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

Total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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 4.07 percent, as well

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Proportionate share of the net OPEB liability	\$4,077,983	\$3,310,797	\$2,664,675

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:

<u>Project</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
South Gilmore Improvements - Resor to Mack	\$3,014,439	\$1,925,706
Aeration System Improvements	4,933,452	1,782,848
Chlorine and Fluoride Feed System Upgrades	419,393	1,759,607
Gray Road Water Main Replacement	1,066,154	785,235
Harbin Park Playground & Splash Pad	3,342,806	574,523
Total	<u>\$12,776,244</u>	<u>\$6,827,917</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:

<u>Fund</u>	<u>Amount</u>
General	\$670,316
Fire Levy	250,631
Street Improvement	2,292,070
Water Utility	3,855,202
Sewer Utility	2,799,698
Nonmajor Funds	<u>8,544,843</u>
Total	<u>\$18,412,760</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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, 2024, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 16 – Interfund Activity

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

	Transfers	
	In	Out
Major Funds:		
General	\$0	\$11,943,095
Street Improvement	833,964	0
Other Governmental Funds	10,463,228	0
Other Enterprise Funds	405,903	0
Internal Service Funds	240,000	0
Totals	<u>\$11,943,095</u>	<u>\$11,943,095</u>

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

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>
2025	\$47,161
2026	48,372
2027	49,615
2028	50,889
2029	52,196
2030-2031	89,988
	<u>\$338,221</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>	<u>AT&T Annual Rent</u>	<u>Crown Castle/ T-Mobile</u>		<u>T-Mobile #1 Annual Rent</u>	<u>T-Mobile #2 Annual Rent</u>	<u>American Tower Annual Rent</u>	<u>Verizon Annual Rent</u>	<u>Total Annual Rent</u>
		<u>Annual Rent</u>	<u>Annual Rent</u>					
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	13,562	14,542	17,539	8,443	8,935	13,520	76,541	
2030-2034	73,214	78,509	94,688	55,953	57,063	68,031	427,458	
2035-2039	83,110	32,835	62,850	90,704	87,135	68,754	425,388	
2040-2044	69,624	0	0	137,844	82,085	69,483	359,036	
2045-2047	0	0	0	109,572	0	0	109,572	
	<u>\$290,445</u>	<u>\$180,504</u>	<u>\$240,952</u>	<u>\$424,641</u>	<u>\$261,196</u>	<u>\$273,584</u>	<u>\$1,671,322</u>	

The City recognized \$174,435 in lease revenues and \$64,401 interest revenues from lease activity for 2024.

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, 2024

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	\$592,631
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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, 2024

Fund Balances	General	Fire Levy	Street Improvement	Other Governmental Funds	Total
Restricted for:					
Street Improvements	\$0	\$0	\$10,998,302	\$4,422,559	\$15,420,861
County Motor Vehicle Registration	0	0	0	355,025	355,025
Probation Services	0	0	0	2,570,997	2,570,997
Court Computer	0	0	0	1,021,324	1,021,324
Special Projects	0	0	0	232,211	232,211
Mediation Services	0	0	0	962,172	962,172
Tax Recreation	0	0	0	517,443	517,443
Law Enforcement	0	0	0	351,172	351,172
Drug and Alcohol Treatment	0	0	0	194,588	194,588
Capital Improvements	0	0	0	6,726,127	6,726,127
TIF Monies	0	0	0	845,870	845,870
Debt Service	0	0	0	1,891,882	1,891,882
Flood Protection	0	0	0	10,190	10,190
Park Development	0	0	0	8,995,271	8,995,271
State Issue I	0	0	0	46,591	46,591
Municipal Motor Vehicle Registration	0	0	0	402,073	402,073
OneOhio Opioid Settlement	0	0	0	368,992	368,992
Fire Levy	0	8,085,930	0	0	8,085,930
American Rescue Plan Act	0	0	0	324	324
Indigent Driver Interlock	0	0	0	593,274	593,274
Total Restricted	0	8,085,930	10,998,302	30,508,085	49,592,317
Assigned to:					
Debt Service	0	0	0	4,284	4,284
Downtown Development	0	0	0	28,047	28,047
Active Transportation and Capital Projects	0	0	0	4,601,867	4,601,867
Sustainability	0	0	0	1,005,566	1,005,566
Transformative Economic	0	0	0	5,753,239	5,753,239
Purchases on Order	334,833	0	0	0	334,833
Total Assigned	334,833	0	0	11,393,003	11,727,836
Unassigned (Deficit)	33,123,040	0	0	0	33,123,040
Total Fund Balance	\$33,457,873	\$8,085,930	\$10,998,302	\$41,901,088	\$94,443,193

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, 2024, 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, 2024

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.

Tax Abatement Programs	City's Share of Taxes Abated
Community Reinvestment Area	\$355,954

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 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 99, Omnibus 2022, GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62, GASB Statement No. 101, Compensated Absences.

GASB Statement No. 99 sets out to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

GASB Statement No. 100 sets out to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 is presented on the financial statements of the City.

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The implementation of GASB Statement No. 101 had the following effect on fund balance/net position as reported December 31, 2023, by opinion unit affected:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

	Proprietary Funds				Government-Wide		
	Water	Sewer	Recreation	Internal	Governmental	Business-Type	Component
	Fund	Fund	Facilities	Service	Activities	Activities	Unit
Fund Balance/Net Position- Beginning of Year, as Previously Presented	\$24,635,565	\$28,125,119	\$3,107,720	\$2,640,771	\$135,715,802	\$56,285,838	\$0
Change to Financial Reporting Entity	0	0	0	0	0	0	2,305,922
Change in Accounting Principal- Adoption of GASB 101	48,372	126,677	(9,226)	10,480	(544,733)	165,823	0
Fund Balance/Net Position- Beginning of Year, as Restated or Adjusted	\$24,683,937	\$28,251,796	\$3,098,494	\$2,651,251	\$135,171,069	\$56,451,661	\$2,305,922

Note 22 – Community Improvement Corporation of Fairfield (Corporation)

Reporting Entity

The Community Improvement Corporation of Fairfield, Butler County (the “Corporation”), a 501(c)3 nonprofit formed under Ohio Revised Code 1724, was formed for the purpose of advancing, encouraging, and promoting the industrial, economic and commercial development with the City of Fairfield. The relationship between the City of Fairfield and the Corporation is to promote development in the City.

Summary of Significant Accounting Policies

Basis of Accounting

These basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation’s significant account policies are described below.

The basic financial statements consist of a single-purpose business-type activity, which is reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Corporation’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Corporation’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, such as pass-through loan interest.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all cash in the Corporation’s checking account is considered to be cash and cash equivalents. All monies received by the Corporation are deposited in a two demand deposit accounts.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Federal Income Tax

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Property Held for Resale

Property Held for Resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of donation (a capital contribution) plus any costs of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

Net Position

Net position represents the difference between assets and liabilities. Investment in capital assets consists of capital assets reduced by payables associated with the acquisition, construction, or improvement of those assets. The Corporation does not have nor reports restricted net position.

Contributions from the City of Fairfield

The City of Fairfield was the exclusive revenue source for the Corporation in 2024, making contributions for the redevelopment and revitalization efforts of the City Center and State Route 4 corridor business districts.

Operating Revenues and Expenses

Operating revenues are those that are generated directly from the primary activity of the Corporation. For the Corporation, these revenues are from rental properties, refunds of earnest monies, City of Fairfield contributions and other miscellaneous revenue. Operating expenses are necessary cost incurred to provide the service that is the primary activity of the Corporation. All revenues and expenses not meeting this definition are reported as non-operating.

Recognition of Donations and Contributions

The Corporation reports gifts of cash and other assets at their estimated fair market value as of the date of contribution.

Estimates

Management uses estimates and assumptions in preparing the financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Dormancy Period

The Corporation was originally founded in 1967, but was dormant for many years, and did not begin operations until March 2023, when the City of Fairfield contributed \$100,000.

Deposits

The Corporation maintains its cash account in two First Financial Bank accounts in Ohio. Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. The Corporation's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2024, \$104,988 of the Corporation's bank balance of \$354,988 was exposed to custodial risk because it was insured by the

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2024

Federal Deposit Insurance Corporation.

At December 31, 2024, The Corporation had no investments.

Property Held for Resale

Property held for resale activity as of December 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Property Held for Resale	\$0	\$5,346,500	\$0	\$5,346,500

The Corporation has property held for resale with the intent to sell these properties in the near future. The total amount of real estate held for resale as of year-end was \$5,346,500.

Contingent Liabilities

The Corporation is not involved in material litigation as either plaintiff or defendant.

To obtain additional financial information about the Corporation please contact the City's Finance Director.

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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

	2024	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.08297400%	0.08333400%	0.08576400%	0.08615800%	0.09144400%	0.09202500%
City's Proportionate Share of the Net Pension Liability	\$21,722,933	\$24,616,900	\$7,461,815	\$12,758,124	\$18,074,527	\$25,203,781
City's Covered Payroll	\$13,474,879	\$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	161.21%	190.59%	60.28%	104.57%	140.49%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	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
0.09437100%	0.09178900%	0.09411200%	0.09360400%
\$14,804,980	\$20,843,721	\$16,301,385	\$11,289,688
\$12,472,869	\$11,859,208	\$14,007,367	\$11,513,875
118.70%	175.76%	116.38%	98.05%
84.66%	77.25%	81.08%	86.45%

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

	2024	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.45345260%	0.42224720%	0.41518820%	0.37601090%	0.37596610%	0.38235400%
City's Proportionate Share of the Net Pension Liability	\$43,809,779	\$40,109,391	\$25,938,557	\$25,633,001	\$25,327,085	\$31,210,190
City's Covered Payroll	\$13,729,587	\$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	319.09%	382.78%	246.42%	271.26%	285.49%	329.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	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
0.37500000%	0.34855900%	0.35860500%	0.35010860%
\$23,015,444	\$22,077,377	\$23,069,311	\$18,137,085
\$8,719,700	\$8,314,016	\$7,832,215	\$7,196,375
263.95%	265.54%	294.54%	252.03%
70.91%	68.36%	66.77%	72.20%

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

	2024	2023	2022	2021	2020	2019
Contractually Required Contribution	\$1,986,970	\$1,886,483	\$1,808,263	\$1,732,985	\$1,708,025	\$1,801,126
Contributions in Relation to the Contractually Required Contribution	<u>(1,986,970)</u>	<u>(1,886,483)</u>	<u>(1,808,263)</u>	<u>(1,732,985)</u>	<u>(1,708,025)</u>	<u>(1,801,126)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$14,192,643	\$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%	14.00%

Note:

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019
Contractually Required Contribution	\$2,913,948	\$2,901,900	\$2,196,645	\$2,232,569	\$2,002,339	\$1,874,537
Contributions in Relation to the Contractually Required Contribution	<u>(2,913,948)</u>	<u>(2,901,900)</u>	<u>(2,196,645)</u>	<u>(2,232,569)</u>	<u>(2,002,339)</u>	<u>(1,874,537)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$13,664,702	\$13,729,587	\$10,478,561	\$10,526,021	\$9,449,453	\$8,871,448
Contributions as a Percentage of Covered Payroll	21.32%	21.14%	20.96%	21.21%	21.19%	21.13%

Note:

See accompanying notes to the required supplementary information.

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

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 Eight Fiscal Years (1)

	2024	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability (Asset)	0.08531700%	0.08538000%	0.08854700%	0.08959700%	0.09492800%	0.09575000%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$770,006)	\$538,337	(\$2,773,428)	(\$1,596,242)	\$3,713,692	\$12,483,539
City's Covered Payroll	\$13,474,879	\$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	-5.71%	4.17%	-22.41%	-13.08%	28.87%	100.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	107.76%	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 Eight Fiscal Years (1)

	2024	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.45345260%	0.42224720%	0.41518820%	0.37601090%	0.37596610%	0.38235400%
City's Proportionate Share of the Net OPEB Liability	\$3,310,797	\$3,006,277	\$4,550,820	\$3,983,897	\$3,713,692	\$3,481,920
City's Covered Payroll	\$13,729,587	\$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	24.11%	28.69%	43.23%	42.16%	41.86%	36.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.90%	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 Nine Fiscal Years (1)

	2024	2023	2022	2021	2020
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	\$14,192,643	\$13,474,879	\$12,916,164	\$12,378,464	\$12,200,179
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.

2019	2018	2017	2016
\$0	\$0	\$158,493	\$206,425
0	0	(158,493)	(206,425)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,865,186	\$12,429,671	\$12,472,869	\$11,859,208
0.00%	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 Nine Fiscal Years (1)

	2024	2023	2022	2021	2020
Contractually Required Contribution to OPEB	\$68,324	\$68,647	\$52,393	\$53,331	\$48,315
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(68,324)</u>	<u>(68,647)</u>	<u>(52,393)</u>	<u>(53,331)</u>	<u>(48,315)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$13,664,702	\$13,729,587	\$10,478,561	\$10,526,021	\$9,449,453
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	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.

2019	2018	2017	2016
\$45,399	\$43,704	\$41,290	\$38,147
(45,399)	(43,704)	(41,290)	(38,147)
\$0	\$0	\$0	\$0
\$8,871,448	\$9,479,421	\$8,719,700	\$8,314,016
0.51%	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, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$32,445,000	\$36,237,000	\$36,167,814	(\$69,186)
Licenses & Permits	522,250	522,250	602,031	79,781
Intergovernmental	1,279,150	1,781,750	1,871,102	89,352
Charges for Services	1,008,500	1,224,000	1,191,781	(32,219)
Court Costs & Fines	1,225,000	1,225,000	1,262,244	37,244
Special Assessments	55,000	55,000	70,344	15,344
Investment Earnings	500,000	1,611,000	1,611,006	6
Other Revenues	1,370,000	1,509,000	1,638,589	129,589
Total Revenues	38,404,900	44,165,000	44,414,911	249,911
Expenditures:				
Current:				
<u>General Government</u>				
City Council				
Personnel Related	226,484	231,484	229,174	2,310
Other	24,380	24,380	21,943	2,437
Total City Council	250,864	255,864	251,118	4,746
Mayor				
Personnel Related	11,324	11,324	11,185	139
Other	9,000	9,000	8,589	411
Total Mayor	20,324	20,324	19,774	550
Administration				
Personnel Related	655,235	655,235	615,581	39,654
Other	41,350	41,127	21,295	19,832
Total Administration	696,585	696,362	636,876	59,486
General Services				
Personnel Related	69,791	69,231	55,611	13,620
Other	7,429,291	4,773,165	4,423,649	349,516
Total General Services	7,499,082	4,842,396	4,479,260	363,136
Law				
Personnel Related	500	500	247	253
Other	612,700	612,700	612,649	51
Total Law	613,200	613,200	612,896	304
Human Resources				
Personnel Related	345,020	345,020	344,969	51
Other	160,293	155,950	104,458	51,492
Total Human Resources	505,313	500,970	449,427	51,543
Finance Administration & Accounting				
Personnel Related	731,245	731,245	718,724	12,521
Other	31,767	31,767	23,389	8,378
Total Finance Administration & Accounting	763,012	763,012	742,113	20,899
Income Tax				
Personnel Related	778,335	778,335	635,455	142,880
Other	111,755	151,703	146,177	5,526
Total Income Tax	890,090	930,038	781,632	148,406

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, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	632,055	672,055	647,437	24,618
Other	110,533	110,533	104,288	6,245
Total Information Technology	742,588	782,588	751,725	30,863
Municipal Court				
Personnel Related	1,801,870	1,801,870	1,614,091	187,779
Other	330,704	328,774	274,937	53,837
Total Municipal Court	2,132,574	2,130,644	1,889,028	241,616
Public Works Administration				
Personnel Related	878,202	898,202	870,312	27,890
Other	215,784	212,197	129,592	82,605
Total Public Works Administration	1,093,986	1,110,399	999,904	110,495
Municipal Building				
Personnel Related	250,369	260,369	255,684	4,685
Other	249,585	243,640	208,965	34,675
Total Municipal Building	499,954	504,009	464,649	39,360
Total General Government	15,707,572	13,149,806	12,078,402	1,071,404
<u>Public Safety</u>				
Police				
Personnel Related	14,460,520	14,460,520	12,235,499	2,225,021
Other	1,522,603	1,520,358	1,340,348	180,010
Total Police	15,983,123	15,980,878	13,575,847	2,405,031
Justice Center				
Other	1,209,262	1,169,001	1,047,286	121,715
Total Justice Center	1,209,262	1,169,001	1,047,286	121,715
Total Public Safety	17,192,385	17,149,879	14,623,133	2,526,746
<u>Community Development</u>				
Planning & Economic Development				
Personnel Related	602,650	642,650	637,186	5,464
Other	68,566	68,559	62,716	5,844
Total Planning & Economic Development	671,216	711,209	699,902	11,307
Building & Zoning Inspection				
Personnel Related	908,737	908,737	808,042	100,695
Other	104,611	114,550	80,481	34,069
Total Building & Zoning Inspection	1,013,348	1,023,287	888,523	134,764
Total Community Development	1,684,564	1,734,496	1,588,425	146,071

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, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Leisure Time Activities</u>				
Parks & Recreation Administration				
Personnel Related	1,305,826	1,305,826	1,203,804	102,022
Other	788,595	792,838	757,898	34,940
Total Parks & Recreation Administration	<u>2,094,421</u>	<u>2,098,664</u>	<u>1,961,702</u>	<u>136,962</u>
Parks Maintenance Operations				
Personnel Related	1,125,134	1,125,134	1,045,681	79,453
Other	862,651	851,045	802,329	48,716
Total Parks Maintenance Operations	<u>1,987,785</u>	<u>1,976,179</u>	<u>1,848,010</u>	<u>128,169</u>
Marsh Park Fishing Lake				
Personnel Related	39,500	39,500	36,022	3,478
Other	55,850	55,850	54,940	910
Total Marsh Park Fishing Lake	<u>95,350</u>	<u>95,350</u>	<u>90,962</u>	<u>4,388</u>
Total Leisure Time Activities	<u>4,177,555</u>	<u>4,170,193</u>	<u>3,900,674</u>	<u>269,519</u>
Capital Outlay	<u>165,580</u>	<u>405,257</u>	<u>392,767</u>	<u>12,490</u>
Total Expenditures	<u>38,927,656</u>	<u>36,609,631</u>	<u>32,583,401</u>	<u>4,026,230</u>
Excess of Revenues Over (Under) Expenditures	<u>(522,756)</u>	<u>7,555,369</u>	<u>11,831,510</u>	<u>4,276,141</u>
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	0	0	2,117	2,117
Transfers (Out)	1,350,000	(12,797,192)	(11,943,095)	854,097
Total Other Financing Sources (Uses)	<u>1,350,000</u>	<u>(12,797,192)</u>	<u>(11,940,978)</u>	<u>856,214</u>
Net Change in Fund Balance	827,244	(5,241,823)	(109,468)	5,132,355
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>30,794,473</u>	<u>30,794,473</u>	<u>30,794,473</u>	<u>0</u>
Fund Balance End of Year	<u>\$31,621,717</u>	<u>\$25,552,650</u>	<u>\$30,685,005</u>	<u>\$5,132,355</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, 2024

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$11,250,000	\$11,150,000	\$11,243,741	\$93,741
Licenses & Permits	6,000	6,000	5,300	(700)
Intergovernmental	428,000	1,809,000	1,814,101	5,101
Charges for Services	1,250,000	1,915,000	1,918,030	3,030
Investment Earnings	25,000	255,000	257,957	2,957
Other Revenues	5,000	5,000	1,991	(3,009)
Total Revenues	12,964,000	15,140,000	15,241,121	101,121
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	10,778,881	10,778,881	10,556,955	221,926
Other	1,287,675	1,551,481	1,543,150	8,331
Total Fire Suppression	12,066,556	12,330,362	12,100,106	230,256
Total Expenditures	12,066,556	12,330,362	12,100,106	230,256
Net Change in Fund Balance	897,444	2,809,638	3,141,015	331,377
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,913,553	4,913,553	4,913,553	0
Fund Balance End of Year	\$5,810,997	\$7,723,191	\$8,054,568	\$331,377

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024

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.

<u>Net Change in Fund Balance</u>		
	<u>General</u>	<u>Fire Levy</u>
GAAP Basis	\$513,945	\$3,897,377
Revenue Accruals	2,183,161	(296,337)
Expenditure Accruals	(2,136,258)	(209,394)
Encumbrances	<u>(670,316)</u>	<u>(250,631)</u>
Budget Basis	<u>(\$109,468)</u>	<u>\$3,141,015</u>

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2024-2023: 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:

2024-2014: There were no changes in benefit terms for this period.

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

Changes in assumptions:

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024

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:

2024-2014: 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:

2024: The following were the most significant changes of assumptions that affected the total OPEB (asset) since the prior measurement date:

- The single discount rate increased from 5.22% to 5.70%.
- The municipal bond rate decreased from 4.05% to 3.77%.

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%.

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:

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024

- 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:

2023-2024: 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.

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:

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The projected salary increases changed from 3.75% to 10.50%, to 3.50% to 10.50%
- The blended discount rate changed from 4.27% to 4.07%
- The depletion year of OPEB assets is projected in year 2038
- The municipal bond index rate decreased from 3.65% to 3.38%

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-

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024

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%

Changes in benefit terms:

2024-2020: 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.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUND

Street Improvement Fund - This capital projects fund is used to account for the construction, repair, and improvement of the City's street infrastructure.

The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for this fund are presented in the Basic Financial Statements section.

A Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is provided on the following 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, 2024

	Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,310,675	\$4,210,675	(\$100,000)
Intergovernmental	2,297,070	2,312,629	15,559
Investment Earnings	439,500	439,504	4
Other Revenues	468,000	456,917	(11,083)
Total Revenues	7,515,245	7,419,725	(95,520)
Expenditures:			
Capital Outlay	12,067,955	11,226,139	841,816
Total Expenditures	12,067,955	11,226,139	841,816
Excess of Revenues Over (Under) Expenditures	(4,552,710)	(3,806,414)	746,296
Other Financing Sources (uses):			
Transfers In	1,398,590	1,398,596	6
Transfers (Out)	(564,650)	(564,632)	18
Total Other Financing Sources (Uses)	833,940	833,964	24
Net Change in Fund Balance	(3,718,770)	(2,972,450)	746,320
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,021,251	12,021,251	0
Fund Balance End of Year	\$8,302,481	\$9,048,800	\$746,320

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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$13,998,007	\$1,895,711	\$27,118,235	\$43,011,953
Receivables (Net):				
Taxes	0	0	1,416,211	1,416,211
Accounts	349,227	0	0	349,227
Interest	11,104	4,744	52,879	68,727
Intergovernmental	1,677,113	278,894	0	1,956,007
Total Assets	16,035,451	2,179,349	28,587,325	46,802,125
Liabilities:				
Accounts Payable	412,234	0	0	412,234
Accrued Wages and Benefits	90,316	0	0	90,316
Compensated Absences	11,745	0	0	11,745
Contracts Payable	0	0	273,147	273,147
Claims Payable	694	0	0	694
Unearned Revenue	911,130	0	0	911,130
Total Liabilities	1,426,119	0	273,147	1,699,266
Deferred Inflows of Resources:				
Income Taxes	0	0	1,099,469	1,099,469
Grants and Other Taxes	1,412,040	278,894	0	1,690,934
Unavailable Revenue	359,268	4,289	47,811	411,368
Total Deferred Inflows of Resources	1,771,308	283,183	1,147,280	3,201,771
Fund Balances:				
Restricted	12,838,024	1,891,882	15,778,179	30,508,085
Assigned	0	4,284	11,388,719	11,393,003
Total Fund Balances	12,838,024	1,896,166	27,166,898	41,901,088
Total Liabilities, Deferred Inflows and Fund Balances	\$16,035,451	\$2,179,349	\$28,587,325	\$46,802,125

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$0	\$3,987,063	\$3,987,063
Investment Earnings	253,272	42,575	1,165,595	1,461,442
Intergovernmental	8,737,082	0	0	8,737,082
Fines, Licenses, Permits, and Settlements	865,529	0	0	865,529
Revenue in Lieu of Taxes	932,363	0	0	932,363
Other Revenues	16,007	0	38,678	54,685
Total Revenues	10,804,253	42,575	5,191,336	16,038,164
Expenditures:				
Current:				
General Government	552,893	961	0	553,854
Public Safety	44,745	0	0	44,745
Community Development	0	0	310,314	310,314
Transportation and Street Repair	3,601,547	0	2,924,957	6,526,504
Public Health and Welfare	3,132,226	0	0	3,132,226
Capital Outlay	1,941,795	0	5,585,834	7,527,629
Debt Service:				
Principal	0	860,000	0	860,000
Interest and Other Charges	0	135,626	0	135,626
Total Expenditures	9,273,206	996,587	8,821,105	19,090,898
Excess of Revenues Over (Under) Expenditures	1,531,047	(954,012)	(3,629,769)	(3,052,734)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	201,450	201,450
Transfers In	0	992,232	9,470,996	10,463,228
Total Other Financing Sources (Uses)	0	992,232	9,672,446	10,664,678
Net Change in Fund Balance	1,531,047	38,220	6,042,677	7,611,944
Fund Balance - Beginning of Year	11,306,977	1,857,946	21,124,221	34,289,144
Fund Balance - End of Year	\$12,838,024	\$1,896,166	\$27,166,898	\$41,901,088

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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, 2024

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$3,886,717	\$438,275	\$355,025	\$32,242	\$224,743
Receivables (Net):					
Accounts	0	0	0	0	0
Interest	6,042	0	0	0	0
Intergovernmental	1,389,405	112,654	0	0	0
Total Assets	5,282,164	550,929	355,025	32,242	224,743
Liabilities:					
Accounts Payable	62,207	0	0	0	0
Accrued Wages and Benefits	58,939	5,873	0	0	0
Compensated Absences	11,745	0	0	0	0
Claims Payable	556	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	133,447	5,873	0	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	1,170,820	94,931	0	0	0
Unavailable Revenue	5,463	0	0	0	0
Total Deferred Inflows of Resources	1,176,283	94,931	0	0	0
Fund Balances:					
Restricted	3,972,434	450,125	355,025	32,242	224,743
Total Fund Balances	3,972,434	450,125	355,025	32,242	224,743
Total Liabilities, Deferred Inflows and Fund Balances	\$5,282,164	\$550,929	\$355,025	\$32,242	\$224,743

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$383,096	\$77,609	\$194,588	\$48,820	\$2,586,254	\$1,021,324	\$234,187
0	0	0	0	0	0	0
0	0	0	0	817	0	0
175,054	0	0	0	0	0	0
558,150	77,609	194,588	48,820	2,587,071	1,021,324	234,187
0	0	0	0	1,457	0	0
9,788	0	0	0	13,763	0	1,953
0	0	0	0	0	0	0
0	0	0	0	115	0	23
0	0	0	0	0	0	0
9,788	0	0	0	15,335	0	1,976
146,289	0	0	0	0	0	0
0	0	0	0	739	0	0
146,289	0	0	0	739	0	0
402,073	77,609	194,588	48,820	2,570,997	1,021,324	232,211
402,073	77,609	194,588	48,820	2,570,997	1,021,324	232,211
\$558,150	\$77,609	\$194,588	\$48,820	\$2,587,071	\$1,021,324	\$234,187

Continued

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	American Rescue Plan Act	Northeast Area TIF
Assets:					
Equity in Pooled Cash and Investments	\$962,422	\$485,150	\$593,274	\$670,211	\$858,446
Receivables (Net):					
Accounts	0	0	0	0	0
Interest	0	536	0	3,384	325
Intergovernmental	0	0	0	0	0
Total Assets	962,422	485,686	593,274	673,595	858,771
Liabilities:					
Accounts Payable	250	0	0	26,855	20,504
Accrued Wages and Benefits	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Claims Payable	0	0	0	0	0
Unearned Revenue	0	0	0	643,356	0
Total Liabilities	250	0	0	670,211	20,504
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	0
Unavailable Revenue	0	485	0	3,060	294
Total Deferred Inflows of Resources	0	485	0	3,060	294
Fund Balances:					
Restricted	962,172	485,201	593,274	324	837,973
Total Fund Balances	962,172	485,201	593,274	324	837,973
Total Liabilities, Deferred Inflows and Fund Balances	\$962,422	\$485,686	\$593,274	\$673,595	\$858,771

South Town Center TIF	OneOhio Opioid Settlement	Butler County - American Rescue Plan Act	Total Nonmajor Special Revenue Funds
\$7,897	\$368,992	\$568,735	\$13,998,007
0	349,227	0	349,227
0	0	0	11,104
0	0	0	1,677,113
<u>7,897</u>	<u>718,219</u>	<u>568,735</u>	<u>16,035,451</u>
0	0	300,961	412,234
0	0	0	90,316
0	0	0	11,745
0	0	0	694
0	0	267,774	911,130
<u>0</u>	<u>0</u>	<u>568,735</u>	<u>1,426,119</u>
0	0	0	1,412,040
0	349,227	0	359,268
<u>0</u>	<u>349,227</u>	<u>0</u>	<u>1,771,308</u>
<u>7,897</u>	<u>368,992</u>	<u>0</u>	<u>12,838,024</u>
<u>7,897</u>	<u>368,992</u>	<u>0</u>	<u>12,838,024</u>
<u>\$7,897</u>	<u>\$718,219</u>	<u>\$568,735</u>	<u>\$16,035,451</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, 2024

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Investment Earnings	\$135,167	\$0	\$0	\$0	\$0
Intergovernmental	2,838,970	230,187	400,000	0	0
Fines, Licenses, Permits, and Settlements	0	0	0	600	28,106
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	16,007	0	0	0	0
Total Revenues	2,990,144	230,187	400,000	600	28,106
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	44,745
Transportation and Street Repair	2,839,804	226,338	163,424	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	11,460	0	61,625	0	10,232
Total Expenditures	2,851,264	226,338	225,049	0	54,977
Net Change in Fund Balance	138,880	3,849	174,951	600	(26,871)
Fund Balance - Beginning of Year	3,833,554	446,276	180,074	31,642	251,614
Fund Balance - End of Year	\$3,972,434	\$450,125	\$355,025	\$32,242	\$224,743

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	\$19,615	\$0	\$0
355,325	0	0	0	0	0	0
0	4,275	28,097	0	321,598	89,470	48,514
0	0	0	0	0	0	0
0	0	0	0	0	0	0
355,325	4,275	28,097	0	341,213	89,470	48,514
0	0	19,026	0	330,224	85,440	82,895
0	0	0	0	0	0	0
371,981	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
371,981	0	19,026	0	330,224	85,440	82,895
(16,656)	4,275	9,071	0	10,989	4,030	(34,381)
418,729	73,334	185,517	48,820	2,560,008	1,017,294	266,592
<u>\$402,073</u>	<u>\$77,609</u>	<u>\$194,588</u>	<u>\$48,820</u>	<u>\$2,570,997</u>	<u>\$1,021,324</u>	<u>\$232,211</u>

Continued

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2024

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	American Rescue Plan Act	Northeast Area TIF
Revenues:					
Investment Earnings	\$0	\$10,975	\$0	\$80,819	\$6,696
Intergovernmental	0	938	0	1,779,262	174
Fines, Licenses, Permits, and Settlements	59,290	0	53,782	0	0
Revenue in Lieu of Taxes	0	138,452	0	0	786,844
Other Revenues	0	0	0	0	0
Total Revenues	59,290	150,365	53,782	1,860,081	793,714
Expenditures:					
Current:					
General Government	750	6,451	1,252	26,855	0
Public Safety	0	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	0	0	0	1,832,902	25,576
Total Expenditures	750	6,451	1,252	1,859,757	25,576
Net Change in Fund Balance	58,540	143,914	52,530	324	768,138
Fund Balance - Beginning of Year	903,632	341,287	540,744	0	69,835
Fund Balance - End of Year	\$962,172	\$485,201	\$593,274	\$324	\$837,973

South Town Center TIF	OneOhio Opioid Settlement	Butler County - American Rescue Plan Act	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$253,272
0	0	3,132,226	8,737,082
0	231,797	0	865,529
7,067	0	0	932,363
0	0	0	16,007
7,067	231,797	3,132,226	10,804,253
0	0	0	552,893
0	0	0	44,745
0	0	0	3,601,547
0	0	3,132,226	3,132,226
0	0	0	1,941,795
0	0	3,132,226	9,273,206
7,067	231,797	0	1,531,047
830	137,195	0	11,306,977
<u>\$7,897</u>	<u>\$368,992</u>	<u>\$0</u>	<u>\$12,838,024</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, 2024

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,935,000	\$2,839,481	(\$95,519)
Investment Earnings	120,000	120,210	\$210
Other Revenues	17,500	16,007	(1,493)
Total Revenues	3,072,500	2,975,699	(96,801)
Expenditures:			
Transportation and Street Repair			
Personnel Related	1,949,297	1,703,226	246,071
Other	1,933,205	1,590,937	342,268
Total Expenditures	3,882,502	3,294,163	588,339
Excess of Revenues Over (Under) Expenditures	(810,002)	(318,464)	491,538
Other Financing Sources (uses):			
Transfers In	750,000	0	(750,000)
Total Other Financing Sources (Uses)	750,000	0	(750,000)
Net Change in Fund Balance	(60,002)	(318,464)	(258,462)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,739,585	3,739,585	0
Fund Balance End of Year	\$3,679,583	\$3,421,121	(\$258,462)

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, 2024

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$155,000	\$230,228	\$75,228
Total Revenues	155,000	230,228	75,228
Expenditures:			
Transportation and Street Repair Personnel Related	237,175	230,913	6,262
Total Expenditures	237,175	230,913	6,262
Net Change in Fund Balance	(82,175)	(685)	81,490
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	438,960	438,960	0
Fund Balance End of Year	\$356,785	\$438,275	\$81,490

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, 2024

	County Motor Vehicle Registration Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$400,000	\$400,000	\$0
Total Revenues	400,000	400,000	0
Expenditures:			
Capital Outlay	225,052	225,052	1
Total Expenditures	225,052	225,052	1
Net Change in Fund Balance	174,948	174,949	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	180,076	180,076	0
Fund Balance End of Year	\$355,024	\$355,025	\$1

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, 2024

	Tax Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Licenses & Permits	\$500	\$600	\$100
Total Revenues	500	600	100
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	500	600	100
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,642	31,642	0
Fund Balance End of Year	\$32,142	\$32,242	\$100

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, 2024

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$35,250	\$28,106	(\$7,144)
Total Revenues	35,250	28,106	(7,144)
Expenditures:			
Public Safety			
Other	65,250	39,797	25,453
Capital Outlay	20,181	20,180	1
Total Expenditures	85,431	59,977	25,454
Net Change in Fund Balance	(50,181)	(31,871)	18,310
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	251,616	251,616	0
Fund Balance End of Year	\$201,435	\$219,745	\$18,310

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2024

	Municipal Motor Vehicle Registration Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$350,000	\$352,741	\$2,741
Total Revenues	350,000	352,741	2,741
Expenditures:			
Transportation and Street Repair Personnel Related	384,713	379,357	5,356
Total Expenditures	384,713	379,357	5,356
Net Change in Fund Balance	(34,713)	(26,616)	8,097
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	409,712	409,712	0
Fund Balance End of Year	\$374,999	\$383,097	\$8,097

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, 2024

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$5,000	\$4,275	(\$725)
Total Revenues	5,000	4,275	(725)
Expenditures:			
Public Safety			
Other	30,000	0	30,000
Total Expenditures	30,000	0	30,000
Net Change in Fund Balance	(25,000)	4,275	29,275
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	73,333	73,333	0
Fund Balance End of Year	\$48,333	\$77,608	\$29,275

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, 2024

	Drug and Alcohol Treatment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$15,000	\$28,097	\$13,097
Total Revenues	15,000	28,097	13,097
Expenditures:			
General Government			
Other	40,000	19,026	20,974
Total Expenditures	40,000	19,026	20,974
Net Change in Fund Balance	(25,000)	9,071	34,071
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	185,518	185,518	0
Fund Balance End of Year	\$160,518	\$194,589	\$34,071

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, 2024

	Local Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	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)	48,820	48,820	0
Fund Balance End of Year	\$48,820	\$48,820	\$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, 2024

	Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$335,000	\$321,598	(\$13,402)
Investment Earnings	5,000	16,259	11,259
Total Revenues	340,000	337,857	(2,143)
Expenditures:			
General Government			
Personnel Related	484,060	303,023	181,037
Other	86,500	33,847	52,653
Total Expenditures	570,560	336,870	233,690
Net Change in Fund Balance	(230,560)	987	231,547
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,584,735	2,584,735	0
Fund Balance End of Year	\$2,354,175	\$2,585,722	\$231,547

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2024

	Court Computer Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$100,500	\$89,470	(\$11,030)
Total Revenues	100,500	89,470	(11,030)
Expenditures:			
General Government			
Other	130,000	85,440	44,560
Total Expenditures	130,000	85,440	44,560
Net Change in Fund Balance	(29,500)	4,029	33,529
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,017,294	1,017,294	0
Fund Balance End of Year	\$987,794	\$1,021,323	\$33,529

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, 2024

	Special Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$55,000	\$48,514	(\$6,486)
Total Revenues	55,000	48,514	(6,486)
Expenditures:			
General Government			
Personnel Related	85,740	83,609	2,131
Other	68,000	0	68,000
Total Expenditures	153,740	83,609	70,131
Net Change in Fund Balance	(98,740)	(35,095)	63,645
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	269,282	269,282	0
Fund Balance End of Year	\$170,542	\$234,187	\$63,645

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, 2024

	Mediation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$40,000	\$59,290	\$19,290
Total Revenues	40,000	59,290	19,290
Expenditures:			
General Government			
Other	5,000	500	4,500
Total Expenditures	5,000	500	4,500
Net Change in Fund Balance	35,000	58,790	23,790
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	903,632	903,632	0
Fund Balance End of Year	\$938,632	\$962,422	\$23,790

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2024

	Tax Increment Equivalent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$138,000	\$138,452	\$452
Investment Earnings	10,600	10,679	79
Total Revenues	148,600	149,131	531
Expenditures:			
General Government			
Other	51,754	48,705	3,049
Total Expenditures	51,754	48,705	3,049
Net Change in Fund Balance	96,846	100,426	3,580
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	356,873	356,873	0
Fund Balance End of Year	\$453,719	\$457,299	\$3,580

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, 2024

	Indigent Driver Interlock Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$40,000	\$53,782	\$13,782
Total Revenues	40,000	53,782	13,782
Expenditures:			
General Government			
Other	20,000	1,252	18,748
Total Expenditures	20,000	1,252	18,748
Net Change in Fund Balance	20,000	52,530	32,530
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	540,744	540,744	0
Fund Balance End of Year	\$560,744	\$593,274	\$32,530

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, 2024

	America Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$67,340	\$67,341	\$1
Total Revenues	67,340	67,341	1
Expenditures:			
General Government			
Other	3,146,139	3,126,448	19,691
Total Expenditures	3,146,139	3,126,448	19,691
Net Change in Fund Balance	(3,078,799)	(3,059,107)	19,692
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,059,107	3,059,107	0
Fund Balance End of Year	(\$19,693)	\$0	\$19,692

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, 2024

	Northeast Area TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$1,434,000	\$1,434,749	\$749
Investment Earnings	0	6,473	6,473
Total Revenues	1,434,000	1,441,222	7,222
Expenditures:			
General Government			
Other	707,905	707,905	0
Total Expenditures	707,905	707,905	0
Net Change in Fund Balance	726,095	733,317	7,222
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	69,988	69,988	0
Fund Balance End of Year	\$796,083	\$803,305	\$7,222

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, 2024

	South Town Center TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$0	\$7,627	\$7,627
Total Revenues	0	7,627	7,627
Expenditures:			
General Government			
Other	560	560	0
Total Expenditures	560	560	0
Net Change in Fund Balance	(560)	7,068	7,628
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	830	830	0
Fund Balance End of Year	\$270	\$7,898	\$7,628

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, 2024

	OneOhio Opioid Settlement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$231,790	\$231,797	\$7
Total Revenues	231,790	231,797	7
Expenditures:			
General Government			
Personnel Related	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	231,790	231,797	7
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	137,195	137,195	0
Fund Balance End of Year	\$368,985	\$368,992	\$7

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, 2024

	Bulter County - American Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,000,000	\$1,000,000	\$0
Total Revenues	1,000,000	1,000,000	0
Expenditures:			
General Government			
Other	3,400,000	3,400,000	0
Total Expenditures	3,400,000	3,400,000	0
Net Change in Fund Balance	(2,400,000)	(2,400,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,400,000	2,400,000	0
Fund Balance End of Year	\$0	\$0	\$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, 2024

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,284	\$1,891,427	\$1,895,711
Receivables (Net):			
Interest	0	4,744	4,744
Intergovernmental	0	278,894	278,894
Total Assets	4,284	2,175,065	2,179,349
Deferred Inflows of Resources:			
Grants and Other Taxes	0	278,894	278,894
Unavailable Revenue	0	4,289	4,289
Total Deferred Inflows of Resources	0	283,183	283,183
Fund Balances:			
Restricted	0	1,891,882	1,891,882
Assigned	4,284	0	4,284
Total Fund Balances	4,284	1,891,882	1,896,166
Total Liabilities, Deferred Inflows and Fund Balances	\$4,284	\$2,175,065	\$2,179,349

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, 2024

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$42,575	\$42,575
Total Revenues	<u>0</u>	<u>42,575</u>	<u>42,575</u>
Expenditures:			
Current:			
General Government	0	961	961
Debt Service:			
Principal	860,000	0	860,000
Interest and Other Charges	132,232	3,394	135,626
Total Expenditures	<u>992,232</u>	<u>4,355</u>	<u>996,587</u>
Excess of Revenues Over (Under) Expenditures	<u>(992,232)</u>	<u>38,220</u>	<u>(954,012)</u>
Other Financing Sources (Uses):			
Transfers In	992,232	0	992,232
Total Other Financing Sources (Uses)	<u>992,232</u>	<u>0</u>	<u>992,232</u>
Net Change in Fund Balance	0	38,220	38,220
Fund Balance - Beginning of Year	4,284	1,853,662	1,857,946
Fund Balance - End of Year	<u>\$4,284</u>	<u>\$1,891,882</u>	<u>\$1,896,166</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, 2024

	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	860,000	860,000	0
Interest and Fiscal Charges	132,232	132,232	0
Total Expenditures	992,232	992,232	0
Excess of Revenues Over (Under) Expenditures	(992,232)	(992,232)	0
Other Financing Sources (uses):			
Transfers In	1,009,280	1,009,280	0
Total Other Financing Sources (Uses)	1,364,639	992,232	0
Net Change in Fund Balance	372,407	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,282	4,282	0
Fund Balance End of Year	\$376,689	\$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, 2024

	Special Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$281,500	\$322,258	\$40,758
Investment Earnings	94,300	94,372	72
Total Revenues	375,800	416,631	40,831
Expenditures:			
Current:			
General Government			
Other	1,000	959	41
Debt Service:			
Principal Retirement	381,011	380,975	36
Interest and Fiscal Charges	3,396	3,394	2
Total Expenditures	385,407	385,329	78
Net Change in Fund Balance	(9,607)	31,302	40,909
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,857,023	1,857,023	0
Fund Balance End of Year	\$1,847,416	\$1,888,326	\$40,909

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

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

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

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.

Sustainability - A capital projects fund for the implementation of various strategies and actions presented throughout the Fairfield Sustains Plan. Precise focus may shift year by year to address current sustainability priorities outlined within the Plan, as they evolve over time. A mechanism that reinvests savings generated from energy efficiency projects back into more green initiatives. This fund creates a positive feedback loop, where the initial investment in sustainability leads to cost savings, which are then used to fund additional environmental projects, further enhancing the City's commitment to sustainability.

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Active Transportation And Capital Projects
Assets:					
Equity in Pooled Cash and Investments	\$6,586,577	\$10,190	\$46,591	\$30,403	\$4,689,503
Receivables (Net):					
Taxes	1,416,211	0	0	0	0
Interest	11,959	0	0	0	8,524
Total Assets	8,014,747	10,190	46,591	30,403	4,698,027
Liabilities:					
Contracts Payable	178,338	0	0	2,356	88,453
Total Liabilities	178,338	0	0	2,356	88,453
Deferred Inflows of Resources:					
Income Taxes	1,099,469	0	0	0	0
Unavailable Revenue	10,813	0	0	0	7,707
Total Deferred Inflows of Resources	1,110,282	0	0	0	7,707
Fund Balances:					
Restricted	6,726,127	10,190	46,591	0	0
Assigned	0	0	0	28,047	4,601,867
Total Fund Balances	6,726,127	10,190	46,591	28,047	4,601,867
Total Liabilities, Deferred Inflows and Fund Balances	\$8,014,747	\$10,190	\$46,591	\$30,403	\$4,698,027

Park Development	Transformative Economic	Sustainability	Total Nonmajor Capital Projects Funds
\$8,997,276	\$5,752,155	\$1,005,540	\$27,118,235
0	0	0	1,416,211
20,815	11,311	270	52,879
<u>9,018,091</u>	<u>5,763,466</u>	<u>1,005,810</u>	<u>28,587,325</u>
4,000	0	0	273,147
4,000	0	0	273,147
0	0	0	1,099,469
18,820	10,227	244	47,811
18,820	10,227	244	1,147,280
8,995,271	0	0	15,778,179
0	5,753,239	1,005,566	11,388,719
8,995,271	5,753,239	1,005,566	27,166,898
<u>\$9,018,091</u>	<u>\$5,763,466</u>	<u>\$1,005,810</u>	<u>\$28,587,325</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, 2024

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Active Transportation And Capital Projects
Revenues:					
Income Taxes	\$3,987,063	\$0	\$0	\$0	\$0
Investment Earnings	265,642	0	0	0	187,022
Other Revenues	0	0	0	0	0
Total Revenues	4,252,705	0	0	0	187,022
Expenditures:					
Current:					
Community Development	0	0	0	0	0
Transportation and Street Repair	2,614,643	0	0	0	0
Capital Outlay	1,977,612	0	0	8,326	338,313
Total Expenditures	4,592,255	0	0	8,326	338,313
Excess of Revenues Over (Under) Expenditures	(339,550)	0	0	(8,326)	(151,291)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	201,450	0	0	0	0
Transfers In	970,996	0	0	0	1,750,000
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	1,172,446	0	0	0	1,750,000
Net Change in Fund Balance	832,896	0	0	(8,326)	1,598,709
Fund Balance - Beginning of Year	5,893,231	10,190	46,591	36,373	3,003,158
Fund Balance - End of Year	\$6,726,127	\$10,190	\$46,591	\$28,047	\$4,601,867

Park Development	Transformative Economic	Sustainability	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$3,987,063
458,428	248,937	5,566	1,165,595
0	38,678	0	38,678
458,428	287,615	5,566	5,191,336
0	310,314	0	310,314
0	310,314	0	2,924,957
3,261,583	0	0	5,585,834
3,261,583	620,628	0	8,821,105
(2,803,155)	(333,013)	5,566	(3,629,769)
0	0	0	201,450
4,000,000	1,750,000	1,000,000	9,470,996
0	0	0	0
4,000,000	1,750,000	1,000,000	9,672,446
1,196,845	1,416,987	1,005,566	6,042,677
7,798,426	4,336,252	0	21,124,221
\$8,995,271	\$5,753,239	\$1,005,566	\$27,166,898

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, 2024

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,260,500	\$4,210,675	(\$49,825)
Investment Earnings	237,900	237,944	44
Other Revenues	26,000	0	(26,000)
Total Revenues	4,524,400	4,448,619	(75,781)
Expenditures:			
Capital Outlay	14,905,515	10,181,111	4,724,404
Total Expenditures	14,905,515	10,181,111	4,724,404
Excess of Revenues Over (Under) Expenditures	(10,381,115)	(5,732,492)	4,648,623
Other Financing Sources (uses):			
Proceeds from Sale of Capital Assets	201,450	201,450	0
Transfers In	1,398,596	1,398,596	0
Transfers (Out)	(427,600)	(427,600)	0
Total Other Financing Sources (Uses)	1,172,446	1,172,446	0
Net Change in Fund Balance	(9,208,669)	(4,560,046)	4,648,623
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,302,998	6,302,998	0
Fund Balance End of Year	(\$2,905,671)	\$1,742,952	\$4,648,623

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, 2024

	Flood Protection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	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, 2024

	State Issue I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	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)	46,591	46,591	0
Fund Balance End of Year	<u>\$46,591</u>	<u>\$46,591</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, 2024

	Downtown Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	21,599	21,599	0
Total Expenditures	21,599	21,599	0
Net Change in Fund Balance	(21,599)	(21,599)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	38,964	38,964	0
Fund Balance End of Year	\$17,365	\$17,366	\$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, 2024

	Active Transportation and Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$169,500	\$169,588	\$88
Total Revenues	169,500	169,588	88
Expenditures:			
Capital Outlay	775,000	698,559	76,441
Total Expenditures	775,000	698,559	76,441
Excess of Revenues Over (Under) Expenditures	(605,500)	(528,972)	76,528
Other Financing Sources (uses):			
Transfers In	1,750,000	1,750,000	0
Total Other Financing Sources (Uses)	1,750,000	1,750,000	0
Net Change in Fund Balance	1,144,500	1,221,028	76,528
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,014,203	3,014,203	0
Fund Balance End of Year	<u>\$4,158,703</u>	<u>\$4,235,231</u>	<u>\$76,528</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, 2024

	Park Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$439,600	\$264,600	(\$175,000)
Investment Earnings	414,000	414,138	138
Total Revenues	853,600	678,738	(174,862)
Expenditures:			
Capital Outlay	4,428,651	4,208,976	219,675
Total Expenditures	4,428,651	4,208,976	219,675
Excess of Revenues Over (Under) Expenditures	(3,575,051)	(3,530,238)	44,813
Other Financing Sources (uses):			
Transfers In	4,000,000	4,000,000	0
Total Other Financing Sources (Uses)	4,000,000	4,000,000	0
Net Change in Fund Balance	424,949	469,762	44,813
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,858,774	7,858,774	0
Fund Balance End of Year	\$8,283,723	\$8,328,536	\$44,813

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, 2024

	Transformative Economic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$400,000	\$225,038	(\$174,962)
Other Revenues	38,670	38,678	8
Total Revenues	438,670	263,716	(174,954)
Expenditures:			
Capital Outlay	916,000	912,628	3,372
Total Expenditures	916,000	912,628	3,372
Excess of Revenues Over (Under) Expenditures	(477,330)	(648,912)	(171,582)
Other Financing Sources (uses):			
Transfers In	1,750,000	1,750,000	0
Total Other Financing Sources (Uses)	1,750,000	1,750,000	0
Net Change in Fund Balance	1,272,670	1,101,088	(171,582)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,351,673	4,351,673	0
Fund Balance End of Year	\$5,624,343	\$5,452,761	(\$171,582)

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, 2024

	Sustainability Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$5,364	\$5,364
Total Revenues	0	5,364	5,364
Expenditures:			
Capital Outlay	74,994	74,994	0
Total Expenditures	74,994	74,994	0
Excess of Revenues Over (Under) Expenditures	(74,994)	(69,630)	5,364
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	925,006	930,370	5,364
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u>\$925,006</u>	<u>\$930,370</u>	<u>\$5,364</u>

OTHER GENERAL FUND

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

Fund Description

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

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2024

	Compensated Leave Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$9,199	\$9,199
Total Revenues	0	9,199	9,199
Expenditures:			
Personnel	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	9,199	9,199
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	598,819	598,819	0
Fund Balance End of Year	<u>\$598,819</u>	<u>\$608,019</u>	<u>\$9,199</u>

(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, 2024

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Assets:			
Equity in Pooled Cash and Investments	\$508,380	\$779,374	\$1,287,754
Receivables (Net):			
Accounts	373,397	0	373,397
Interest	0	1,998	1,998
Inventory	0	30,353	30,353
Total Current Assets	<u>881,777</u>	<u>811,725</u>	<u>1,693,502</u>
Noncurrent Assets:			
Net OPEB Asset	0	38,919	38,919
Capital Assets:			
Nondepreciable Capital Assets	0	507,000	507,000
Depreciable Capital Assets, Net	0	2,816,317	2,816,317
Total Noncurrent Assets	<u>0</u>	<u>3,362,236</u>	<u>3,362,236</u>
Total Assets	<u>881,777</u>	<u>4,173,961</u>	<u>5,055,738</u>
Deferred Outflows of Resources:			
Pension	0	339,993	339,993
OPEB	0	33,413	33,413
Total Deferred Outflows of Resources	<u>0</u>	<u>373,406</u>	<u>373,406</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	482,748	68,633	551,381
Accrued Wages and Benefits	0	14,348	14,348
Compensated Absences	0	37,631	37,631
Claims Payable	0	311	311
Total Current Liabilities	<u>482,748</u>	<u>120,923</u>	<u>603,671</u>
Long-Term Liabilities:			
Compensated Absences	0	22,475	22,475
Net Pension Liability	0	1,097,971	1,097,971
Total Noncurrent Liabilities	<u>0</u>	<u>1,120,446</u>	<u>1,120,446</u>
Total Liabilities	<u>482,748</u>	<u>1,241,369</u>	<u>1,724,117</u>
Deferred Inflows of Resources:			
Pension	0	6,314	6,314
OPEB	0	22,308	22,308
Total Deferred Inflows of Resources	<u>0</u>	<u>28,622</u>	<u>28,622</u>
Net Position:			
Net Investment in Capital Assets	0	3,323,317	3,323,317
Restricted for:			
Net OPEB Asset	0	38,919	38,919
Unrestricted	399,029	(84,860)	314,169
Total Net Position	<u>\$399,029</u>	<u>\$3,277,376</u>	<u>\$3,676,405</u>

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, 2024

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$2,824,759	\$2,073,258	\$4,898,017
Other Revenues	0	49,171	49,171
Total Operating Revenues	<u>2,824,759</u>	<u>2,122,429</u>	<u>4,947,188</u>
Operating Expenses:			
Personal Services	0	982,052	982,052
Contactual Services	2,843,164	645,802	3,488,966
Materials and Supplies	0	456,005	456,005
Depreciation	0	311,904	311,904
Total Operating Expenses	<u>2,843,164</u>	<u>2,395,763</u>	<u>5,238,927</u>
Operating Income (Loss)	<u>(18,405)</u>	<u>(273,334)</u>	<u>(291,739)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	0	46,841	46,841
Interest (Expense)	0	(528)	(528)
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>46,313</u>	<u>46,313</u>
Income (Loss) Before Contributions and Transfers	<u>(18,405)</u>	<u>(227,021)</u>	<u>(245,426)</u>
Transfers In	<u>0</u>	<u>405,903</u>	<u>405,903</u>
Change in Net Position	<u>(18,405)</u>	<u>178,882</u>	<u>160,477</u>
Net Position-Beginning of Year, As Previously Reported	<u>417,434</u>	<u>3,107,720</u>	<u>3,525,154</u>
Change in Accounting Principal (GASB 101)	<u>0</u>	<u>(9,226)</u>	<u>(9,226)</u>
Net Position-Beginning of Year, As Restated	<u>417,434</u>	<u>3,098,494</u>	<u>3,515,928</u>
Net Position - End of Year	<u>\$399,029</u>	<u>\$3,277,376</u>	<u>\$3,676,405</u>

City of Fairfield, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2024

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,820,039	\$2,122,429	\$4,942,468
Cash Payments to Employees	0	(985,807)	(985,807)
Cash Payments to Suppliers	(2,825,301)	(1,069,688)	(3,894,989)
Net Cash Provided (Used) by Operating Activities	(5,262)	66,934	61,672
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	405,903	405,903
Net Cash Provided (Used) by Noncapital Financing Activities	0	405,903	405,903
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	0	(862,316)	(862,316)
Debt and Lease Principal Payments	0	(71,820)	(71,820)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(934,136)	(934,136)
Cash Flows from Investing Activities:			
Earnings on Investments	0	44,843	44,843
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	44,843	44,843
Net Increase (Decrease) in Cash and Cash Equivalents	(5,262)	(416,456)	(421,718)
Cash and Cash Equivalents - Beginning of Year	513,642	1,195,830	1,709,472
Cash and Cash Equivalents - End of Year	508,380	779,374	1,287,754
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(18,405)	(273,334)	(291,739)
Adjustments:			
Depreciation	0	311,904	311,904
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	(4,720)	0	(4,720)
(Increase) Decrease in Inventory	0	(3,616)	(3,616)
(Increase) Decrease in Deferred Outflows of Resources	0	211,155	211,155
(Increase) Decrease in Net OPEB Asset	0	(38,919)	(38,919)
Increase (Decrease) in Claims Payable	0	56	56
Increase (Decrease) in Payables	17,863	35,735	53,598
Increase (Decrease) in Accrued Liabilities	0	(9,296)	(9,296)
Increase (Decrease) in Deferred Inflows of Resources	0	5,584	5,584
Increase (Decrease) in Net Pension Liability	0	(145,150)	(145,150)
Increase (Decrease) in OPEB Liability	0	(27,185)	(27,185)
Net Cash Provided (Used) by Operating Activities	(\$5,262)	\$66,934	\$61,672

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, 2024

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$3,056,084	\$58,391	\$3,114,475
Receivables (Net):			
Interest	514	0	514
Total Current Assets	3,056,598	58,391	3,114,989
Noncurrent Assets:			
Net OPEB Asset	0	26,690	26,690
Total Noncurrent Assets	0	26,690	26,690
Total Assets	3,056,598	85,081	3,141,679
Deferred Outflows of Resources:			
Pension	0	233,163	233,163
OPEB	0	22,914	22,914
Total Deferred Outflows of Resources	0	256,077	256,077
Liabilities:			
Current Liabilities:			
Accounts Payable	2,047	17,429	19,476
Accrued Wages and Benefits	0	30,689	30,689
Compensated Absences	0	43,168	43,168
Claims Payable	66,529	258	66,787
Total Current Liabilities	68,576	91,544	160,120
Long-Term Liabilities:			
Compensated Absences	0	69,641	69,641
Net Pension Liability	0	752,975	752,975
Total Long-Term Liabilities	0	822,616	822,616
Total Liabilities	68,576	914,160	982,736
Deferred Inflows of Resources:			
Pension	0	4,330	4,330
OPEB	0	15,299	15,299
Total Deferred Inflows of Resources	0	19,629	19,629
Net Position:			
Restricted for:			
Net OPEB Asset	0	26,690	26,690
Unrestricted	2,988,022	(619,321)	2,368,701
Total Net Position	\$2,988,022	(\$592,631)	\$2,395,391

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, 2024

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$5,995,324	\$961,873	\$6,957,197
Other Revenues	4,520	2,393	6,913
Total Operating Revenues	<u>5,999,844</u>	<u>964,266</u>	<u>6,964,110</u>
Operating Expenses:			
Personal Services	0	753,015	753,015
Contactual Services	6,268,350	29,672	6,298,022
Materials and Supplies	0	420,007	420,007
Total Operating Expenses	<u>6,268,350</u>	<u>1,202,694</u>	<u>7,471,044</u>
Operating Income (Loss)	<u>(268,506)</u>	<u>(238,428)</u>	<u>(506,934)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	<u>11,074</u>	<u>0</u>	<u>11,074</u>
Total Non-Operating Revenues (Expenses)	<u>11,074</u>	<u>0</u>	<u>11,074</u>
Income (Loss) Before Contributions and Transfers	(257,432)	(238,428)	(495,860)
Transfers In	<u>0</u>	<u>240,000</u>	<u>240,000</u>
Change in Net Position	(257,432)	1,572	(255,860)
Net Position-Beginning of Year, As Previously Reported	<u>3,245,454</u>	<u>(604,683)</u>	<u>2,640,771</u>
Change in Accounting Principal (GASB 101)	0	10,480	10,480
Net Position-Beginning of Year, As Restated	<u>3,245,454</u>	<u>(594,203)</u>	<u>2,651,251</u>
Net Position-End of Year	<u><u>\$2,988,022</u></u>	<u><u>(\$592,631)</u></u>	<u><u>\$2,395,391</u></u>

City of Fairfield, Ohio
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2024

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$5,999,844	\$964,266	\$6,964,110
Cash Payments to Employees	0	(736,765)	(736,765)
Cash Payments to Suppliers	0	(448,440)	(448,440)
Cash Payments for Claims	<u>(6,414,582)</u>	<u>0</u>	<u>(6,414,582)</u>
Net Cash Provided (Used) by Operating Activities	<u>(414,738)</u>	<u>(220,939)</u>	<u>(635,677)</u>
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	<u>0</u>	<u>240,000</u>	<u>240,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>240,000</u>	<u>240,000</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>10,560</u>	<u>0</u>	<u>10,560</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>10,560</u>	<u>0</u>	<u>10,560</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(404,178)	19,061	(385,117)
Cash and Cash Equivalents - Beginning of Year	<u>3,460,262</u>	<u>39,330</u>	<u>3,499,592</u>
Cash and Cash Equivalents - End of Year	<u><u>3,056,084</u></u>	<u><u>58,391</u></u>	<u><u>3,114,475</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(268,506)	(238,428)	(506,934)
Changes in Assets & Liabilities:			
(Increase) Decrease in Deferred Outflows of Resources	0	132,917	132,917
(Increase) Decrease in Net OPEB Asset	0	(26,690)	(26,690)
Increase (Decrease) in Claims Payable	(147,487)	71	(147,416)
Increase (Decrease) in Payables	1,255	1,239	2,494
Increase (Decrease) in Accrued Liabilities	0	(2,000)	(2,000)
Increase (Decrease) in Deferred Inflows of Resources	0	4,298	4,298
Increase (Decrease) in Net Pension Liability	0	(74,256)	(74,256)
Increase (Decrease) in Net OPEB Liability	<u>0</u>	<u>(18,090)</u>	<u>(18,090)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$414,738)</u></u>	<u><u>(\$220,939)</u></u>	<u><u>(\$635,677)</u></u>

City of Fairfield, Ohio
Combining Statement of Net Position
Custodial Funds
December 31, 2024

	Fairfield Township Joint Economic Development District 1	Municipal Court	West Chester Joint Economic Development District 1	Totals
Assets:				
Equity in Pooled Cash and Investments	\$13,229	\$41,167	\$326,279	\$380,675
Receivables (Net):				
Accounts	0	0	317,608	317,608
Total Assets	13,229	41,167	643,887	698,283
Liabilities:				
Accounts Payable	0	0	249,764	249,764
Total Liabilities	0	0	249,764	249,764
Net Position:				
Restricted for:				
Individuals, Organizations, and Other Governments	0	41,167	0	41,167
Economic Development	13,229	0	394,123	407,352
Total Net Position	\$13,229	\$41,167	\$394,123	\$448,519

City of Fairfield, Ohio
Combining Statement of Changes in Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2024

	Fairfield Township Joint Economic Development District 1	Municipal Court	West Chester Joint Economic Development District 1	Totals
Additions:				
Investment Earnings	\$2	\$0	\$1,906	\$1,908
Municipal Court Receipts	0	1,328,158	0	1,328,158
Joint Economic Development District Receipts	<u>16,500</u>	<u>0</u>	<u>3,604,980</u>	<u>3,621,480</u>
Total Additions	<u>16,502</u>	<u>1,328,158</u>	<u>3,606,886</u>	<u>4,951,546</u>
Deductions:				
Municipal Court Disbursements	0	1,349,400	0	1,349,400
Joint Economic Development District Disbursements	<u>3,362</u>	<u>0</u>	<u>3,539,657</u>	<u>3,543,019</u>
Total Deductions	<u>3,362</u>	<u>1,349,400</u>	<u>3,539,657</u>	<u>4,892,419</u>
Change in Net Position	13,140	(21,242)	67,229	59,127
Net Position - Beginning of Year	<u>89</u>	<u>62,409</u>	<u>326,894</u>	<u>389,392</u>
Net Position - End of Year	<u>\$13,229</u>	<u>\$41,167</u>	<u>\$394,123</u>	<u>\$448,519</u>

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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

	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023 (2)	2024
Governmental Activities										
Net Investment in Capital Assets	\$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	\$89,202,414
Restricted	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	54,272,803
Unrestricted	(5,843,139)	(5,913,774)	(30,084,299)	(32,132,889)	(18,294,804)	(22,347,006)	(4,387,301)	3,373,619	7,926,444	11,130,547
Total Governmental Activities Net Position	\$80,921,263	\$84,949,449	\$64,323,314	\$68,099,541	\$84,977,594	\$84,308,854	\$104,676,150	\$120,163,680	\$135,171,069	\$154,605,764
Business-type activities										
Net Investment in Capital Assets	\$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	\$33,317,830
Restricted	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	1,333,111
Unrestricted	5,784,274	4,814,362	2,516,460	5,581,039	7,583,053	11,391,294	15,922,885	15,794,505	22,899,331	25,676,326
Total Business-Type Activities Net Position	\$46,517,042	\$46,059,748	\$42,765,453	\$44,746,611	\$46,067,705	\$49,543,617	\$51,382,690	\$50,986,838	\$56,451,661	\$60,327,267
Total Primary Government										
Net Investment in Capital Assets	\$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	\$122,520,244
Restricted	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	55,605,914
Unrestricted	(58,865)	(1,099,412)	(27,567,839)	(26,551,850)	(\$10,711,751)	(10,955,712)	11,535,584	19,168,124	30,825,775	36,806,873
Total Primary Government Net Position	\$127,438,305	\$131,009,197	\$107,088,767	\$112,846,152	\$131,045,299	\$133,852,471	\$156,058,840	\$171,150,518	\$191,622,730	\$214,933,031

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

(2) - Restated for GASB Statement No. 101 Implementation

Source: City Records

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)	2024
Expenses										
Governmental Activities:										
General Government	\$8,240,596	\$7,968,208	\$9,420,931	\$9,476,038	\$8,302,443	\$12,617,792	\$7,440,303	\$9,154,428	\$11,387,108	\$11,099,586
Public Safety	18,459,890	18,841,094	19,659,072	22,968,209	13,416,020	22,689,176	15,832,041	22,687,609	29,436,673	30,737,473
Community Development	1,094,499	1,950,158	2,088,857	2,117,719	968,163	1,644,000	1,015,903	1,619,909	2,731,419	1,910,138
Leisure Time Activities	3,020,368	3,746,235	3,523,300	3,643,483	3,083,191	3,957,029	3,173,971	3,987,994	4,945,433	4,524,760
Transportation and Street Repair	8,667,858	8,097,174	8,471,472	9,083,304	10,668,855	9,766,869	9,667,667	11,840,154	13,476,901	13,586,955
Basic Utility Service	441,845	458,368	464,115	502,866	444,198	483,211	488,930	362,300	555,039	502,695
Public Health and Welfare	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927	3,151,460
Interest and Fiscal Charges	780,363	732,471	696,672	562,058	514,315	381,288	220,424	161,071	149,743	151,615
Total Governmental Activities Expenses	40,726,667	41,814,833	44,345,381	48,374,259	37,417,976	54,575,812	37,861,422	49,833,835	63,412,243	65,664,682
Business-Type Activities:										
Water Utility	5,225,446	6,407,038	6,733,916	5,703,566	7,311,842	7,105,394	7,229,429	8,952,833	6,886,867	8,281,098
Sewer Utility	5,591,952	5,735,840	5,950,929	6,835,855	6,517,745	5,329,744	6,715,790	8,665,514	6,859,678	8,299,544
Solid Waste Management	2,216,074	2,259,529	2,295,473	2,328,509	2,378,343	2,436,344	2,486,619	2,582,473	2,742,556	2,843,164
Recreation Facilities	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	2,396,291
Total Business-Type Activities Expenses	15,207,704	16,275,462	16,942,353	16,700,094	18,402,788	16,023,576	18,887,579	21,832,339	18,830,151	21,820,097
Total Primary Government Expenses	\$55,934,371	\$58,090,295	\$61,287,734	\$65,074,353	\$55,820,764	\$70,599,388	\$56,749,001	\$71,666,174	\$82,242,394	\$87,484,779
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$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	\$2,668,971
Public Safety	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	1,640,817
Community Development	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	1,255,453
Leisure Time Activities	497,097	958,658	244,100	261,393	265,147	64,622	178,846	238,790	267,004	282,684
Transportation and Street Repair	593,242	1,705,115	39,889	35,065	39,230	0	0	0	0	0
Basic Utility Service	77,917	0	0	0	0	0	0	0	0	0
Operating Grants and Contributions	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	11,038,635
Capital Grants and Contributions	897,858	185,742	1,257,952	3,472,908	1,578,511	546,409	1,082,121	1,894,677	3,971,088	4,161,213
Total Governmental Activities Program Revenues	\$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	\$21,047,773

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)	2024
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	\$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	\$10,646,392
Sewer Utility	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	8,587,124
Solid Waste Management	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	2,824,759
Recreation Facilities	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	2,073,258
Operating Grants and Contributions	0	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions	12,090	0	0	0	64,868	0	0	0	0	0
Total Business-Type Activities Program Revenues	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	24,131,533
Total Primary Government Program Revenues	\$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	\$45,179,306
Net (Expense)/Revenue										
Governmental Activities	(\$32,420,411)	(\$31,974,439)	(\$35,333,056)	(\$36,777,243)	(\$24,815,433)	(\$42,626,197)	(\$27,239,363)	(\$36,767,307)	(\$45,329,072)	(\$44,616,909)
Business-type activities	(180,256)	(977,861)	(884,996)	1,194,748	166,132	2,911,772	1,085,774	(1,088,090)	4,052,866	2,311,436
Total Primary Government Net Expenses	(\$32,600,667)	(\$32,952,300)	(\$36,218,052)	(\$35,582,495)	(\$24,649,301)	(\$39,714,425)	(\$26,153,589)	(\$37,855,397)	(\$41,276,206)	(\$42,305,473)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$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	\$42,161,151
Property Taxes Levied for:										
General Purposes	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	2,486,700
Special Revenue Purposes	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	11,268,669
Grants and Entitlements not Restricted	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	1,585,970
Investment Earnings	185,456	147,846	423,476	663,060	1,120,183	280,478	(34,539)	(117,392)	3,439,857	4,209,189
Other Revenues	722,374	671,625	774,223	855,781	1,078,286	1,266,258	1,278,488	1,368,018	1,907,998	2,745,828
Transfers-Internal Activities	(315,000)	(215,000)	(175,000)	(355,000)	(535,000)	(490,000)	(490,000)	(350,000)	(350,000)	(405,903)
Total Governmental Activities	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	64,051,604
Business-Type Activities:										
Investment Earnings	11,405	28,592	81,541	179,666	411,729	69,958	(23,156)	(31,082)	755,824	912,082
Other Revenues	244,583	276,975	264,497	251,744	208,233	190,022	286,455	373,320	306,133	246,185
Transfers-Internal Activities	315,000	215,000	175,000	355,000	535,000	490,000	490,000	350,000	350,000	405,903
Total Business-Type Activities	570,988	520,567	521,038	786,410	1,154,962	749,980	753,299	692,238	1,411,957	1,564,170
Total Primary Government	\$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	\$65,615,774

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)	2024
Change in Net Position										
Governmental Activities	(\$34,750)	\$4,028,186	\$2,519,228	\$3,776,227	\$16,878,053	\$752,389	\$20,367,296	\$15,487,530	\$15,007,389	\$19,434,695
Business-Type Activities	390,732	(457,294)	(363,958)	1,981,158	1,321,094	3,661,752	1,839,073	(395,852)	5,464,823	3,875,606
Total Primary Government	<u>\$355,982</u>	<u>\$3,570,892</u>	<u>\$2,155,270</u>	<u>\$5,757,385</u>	<u>\$18,199,147</u>	<u>\$4,414,141</u>	<u>\$22,206,369</u>	<u>\$15,091,678</u>	<u>\$20,472,212</u>	<u>\$23,310,301</u>

(1) - Restated for GASB Statement No. 101 Implementation

Source: City Records

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Assigned	\$673,678	\$1,779,678	\$370,256	\$298,960	\$313,800	\$179,886	\$409,318	\$919,788	\$469,977	\$334,833
Unassigned	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	33,123,040
Total General Fund	<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>	<u>33,457,873</u>
All Other Governmental Funds										
Restricted	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	49,592,317
Assigned	164,254	148,835	118,002	57,567	55,917	46,998	46,518	5,028,695	7,380,067	11,393,003
Unassigned	(431,443)	(69,540)	(657,721)	(818,708)	(306,936)	(78,769)	0	0	0	0
Total all Other Governmental Funds	<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>	<u>\$60,985,320</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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$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	\$53,170,927
Charges for Services	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	4,007,723
Investment Earnings	175,768	135,229	431,784	675,646	1,093,906	311,715	(36,245)	(132,853)	3,421,820	4,087,818
Intergovernmental	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	14,922,024
Special Assessments	250,298	223,868	17,367	56,636	58,556	71,188	71,754	122,564	68,417	70,344
Fines, Licenses & Permits	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	2,735,105
Other Revenues	462,221	1,032,869	514,038	482,702	515,173	815,824	806,255	776,706	1,346,941	2,024,098
Total Revenues	\$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	\$81,018,039
Expenditures:										
Current:										
General Government	\$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	\$9,788,322
Public Safety	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	25,971,008
Community Development	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	1,882,038
Leisure Time Activities	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	3,592,872
Transportation and Street Repair	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	10,854,631
Basic Utility Service	441,845	458,368	464,115	502,866	444,198	483,211	488,930	362,300	555,039	502,695
Public Health and Welfare	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183	20,370	729,927	3,151,460
Capital Outlay	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	13,176,375
Debt Service:										
Principal Retirement	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	1,120,579
Interest and Fiscal Charges	800,002	747,541	630,909	581,485	528,942	341,487	223,264	158,696	147,426	144,321
Bond Issuance Cost	0	0	85,090	0	0	58,858	0	0	0	0
Total Expenditures	\$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	\$70,184,301

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (Deficiency) of Revenues Over Expenditures	\$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	\$10,833,738
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$68,419	\$155,920	\$77,776	\$973	\$164,044	\$28,027	\$56,108	\$111,567	\$96,331	\$203,567
Proceeds of Subscription Based										
Information Technology Arrangements	0	0	0	0	0	0	0	0	618,800	0
Sale of Refunding Bonds	0	0	3,615,000	0	0	5,345,000	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	(3,855,969)	0	0	(5,286,142)	0	0	0	0
Premium/(Discount) on Sale of Refunded Bonds	0	0	326,059	0	0	0	0	0	0	0
Transfers In	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	11,297,192
Transfers (Out)	(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)	(11,943,095)
Total Other Financing Sources (Uses)	(471,581)	(259,080)	(212,134)	(554,027)	(570,956)	(603,115)	(733,892)	(513,433)	(139,869)	(442,336)
Net Change in Fund Balances	\$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	\$10,391,402
Debt service as a percentage of noncapital expenditures (1)	6.5%	6.7%	5.6%	5.0%	3.9%	3.7%	5.4%	2.1%	2.1%	2.2%

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	Total	Total	Total
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
2024	1,490,889,110	72,643,060	1,563,532,170	4,344,733,618	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
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
2024	0.99	0.30	9.25	10.54	9.72	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

2024 (1)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$78,032,667	4.99%
Cincinnati Financial Corp	13,954,936	0.89%
LIT Industrial Partnership	10,023,789	0.64%
Koch Foods of Cincinnati LLC	9,838,278	0.63%
Duke Realty Ohio	9,541,469	0.61%
Faith Village Park Apartments	9,458,735	0.60%
Villages of Wildwood Owner LLC	9,446,423	0.60%
Rajole LLC	9,142,676	0.58%
Camelot East Properties LLC	9,052,402	0.58%
NP Seward Rd LLC	8,846,322	0.57%
	\$167,337,697	10.69%

2015 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$37,181,820	3.95%
Boymel	8,051,760	0.86%
Cincinnati Financial	7,944,520	0.84%
Timber Hollow	6,629,210	0.70%
Sisters of Mercy	5,983,750	0.64%
Fath Village Park	5,915,680	0.63%
Camelot East	5,384,850	0.57%
Ohio Casualty Insurance	5,185,720	0.55%
BWIP Woodstock	5,120,850	0.54%
Rajole	4,888,790	0.52%
	\$92,286,950	9.80%

Source: County Auditor

(1) - Calendar Year 2024

(2) - Collection Year 2015

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		Deliquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2024	13,279,993	13,115,106	98.76%	164,887	13,279,993	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					Percentage of Total			
		Withholding	Business	Individuals	Total	Withholding	Business	Individuals	Total
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%
2024	1.50%	29,474,130	7,224,344	5,408,276	42,106,750	70.0%	17.2%	12.8%	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

2024	
Name	Amount
Cincinnati Insurance Corporation	\$3,105,694
Koch Meat Co Inc	1,823,463
Bon Secours Mercy Health	1,772,208
Fairfield City School District	897,724
Pacific Manufacturing Ohio Inc	779,972
Martin Brower Co LLC	464,159
City of Fairfield	425,642
Veritiv Operating Company	295,120
Jungle Jims International Market Inc	264,810
Takumi Stamping Inc	258,879
Total Collections - Principal Taxpayers	\$10,087,671
Total Collections	\$42,106,750
Combined percentage of total income taxes	24.0%

2015	
Name	Amount
Cincinnati Insurance Corporation	\$3,829,359
Mercy Regional Health System	1,387,264
Liberty Mutual Group	1,347,065
Fairfield Board of Education	617,141
Express Scripts Services	515,050
Koch Meat Co Inc	451,104
Pacific Mfg Ohio Inc	408,953
City of Fairfield	326,393
RFL Resources Ltd	267,533
Martin Brower Co	247,550
Total Collections - Principal Taxpayers	\$9,397,412
Total Collections	\$27,461,579
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			
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	0.09%	449
2024	5,264,196	700,792	17,428,018	0	0	23,393,006	N/A	521

Source: City Finance Department

Notes:

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

N/A - Information not available

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

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Less: Restricted for Debt Service (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	0.13%	96
2024	5,264,196	1,896,171	3,368,025	0.08%	75

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, 2024
Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$16,615,470	11.74%	\$1,950,656
Hamilton County	139,741,500	0.00%	0
Fairfield Township	825,000	0.00%	0
Fairfield City School District	52,303,000	66.52%	34,791,956
Lakota Local School District	61,580,000	0.22%	135,476
Northwest Local School District	69,301,000	0.00%	0
Butler Tech & Career Center JT. VOC. School District	5,818,000	10.00%	581,800
Subtotal Overlapping Debt	346,183,970		37,459,888
City of Fairfield - Direct Debt	5,964,988	100.00%	5,964,988
Total Direct and Overlapping Debt	\$352,148,958		\$43,424,876

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	\$1,563,532,170	\$1,563,532,170
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	164,170,878	85,994,269
Debt Applicable to Limit:		
Gross Indebtedness	5,264,196	5,264,196
Less: Restricted for Debt Service (2)	1,896,171	1,896,171
Total Net Debt Applicable to Limit	3,368,025	3,368,025
Legal Debt Margin	\$160,802,853	\$82,626,244

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Debt Limit (1)										
Debt Limit (10.5%)	\$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	\$164,170,878
Total Net Debt Applicable to Limit	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180	5,245,188	4,292,836	3,368,025
Legal Debt Margin	\$80,385,347	\$82,945,688	\$90,247,265	\$98,817,144	\$98,735,484	\$118,474,462	\$121,443,368	\$122,022,741	\$157,538,152	\$160,802,853
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.7%	16.4%	14.0%	10.2%	9.1%	6.8%	4.8%	4.1%	2.7%	2.1%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$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	\$85,994,269
Total Net Debt Applicable to Limit	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180	5,245,188	4,292,836	3,368,025
Legal Debt Margin	\$33,304,848	\$35,704,642	\$40,282,715	\$46,402,507	\$47,021,153	\$57,968,923	\$60,689,774	\$61,418,966	\$80,475,777	\$82,626,244
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.7%	31.3%	26.7%	19.5%	17.3%	12.9%	9.2%	7.9%	5.1%	3.9%

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 assessed property value. Total unvoted debt limit should not exceed 5.5% of net assessed property value.

(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				Coverage
	Special Assessment Collections	Debt Service			
		Principal	Interest		
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	
2024	392,602	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)
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	22,871,943	58,192	3.20%
2024	44,907	N/A	N/A	4.20%

Sources:

(1) - Population estimates provided by U.S. Census Bureau (2010 Census for years 2014 - 2020 and 2020 Census for years 2021 - 2024)

(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

2024

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
Cincinnati Financial Corp.	Ins	(3)	(4)
Cleveland Cliffs	Mfg	(3)	(4)
Cornerstone Brands	Trade	(3)	(4)
Express Scripts	Serv	(3)	(4)
Fairfield City School District	Edu	(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)
Pacific Manufacturing	Mfg	(3)	(4)
Tyson Foods	Mfg	(3)	(4)
UC Health West Chester Hospital	Serv	(3)	(4)

2015

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Administration	10	10	12	12	11	9	8	11	10	12
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	2	1	2	2	2	2
Municipal Court	20	20	20	20	20	19	19	18	19	18
Finance	16	18	17	18	17	15	17	14	16	17
Public Safety										
Police										
Officers	57	58	58	60	60	61	63	63	63	61
Non-Sworn	20	20	18	19	19	20	21	24	24	24
Fire	27	28	31	34	34	34	44	57	62	62
Leisure Time Activities										
Parks and recreation	20	19	18	18	19	20	20	19	22	21
Community Development										
Planning and Zoning	4	3	4	4	4	3	4	3	3	4
Building Inspection	8	8	8	8	9	8	7	8	8	7
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	20	21	21	21	31	20	20	20	20	20
Wastewater	22	21	21	22	31	20	20	19	22	21
Transportation and Street Repair	28	27	28	28	29	27	27	27	26	27
Total	261	262	265	273	294	265	280	293	305	304

Source: City Finance Department

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Community Environment										
Planning and Development										
Building permits issued	1,712	1,834	1,838	1,882	1,657	1,975	1,889	1,960	1,890	1,842
Building inspections conducted	2,554	3,229	3,477	2,858	2,502	2,454	2,956	3,127	3,248	2,889
Economic Development										
Value of Residential Construction	\$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	\$16,020,351
Value of Commercial Construction	\$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	\$86,954,431
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,022	847	819	985	1,417	800	743	1,892	1,921	1,635
Dollar Amount of Refunds	\$1,538,826	\$564,945	\$1,477,354	\$623,538	\$1,403,977	\$621,047	\$669,008	\$1,410,759	\$1,800,931	\$1,933,177
Average Refund Amount	\$1,506	\$667	\$1,804	\$633	\$991	\$776	\$900	\$746	\$937	\$1,182
Court										
Number of Criminal Cases	2,869	3,303	3,464	4,065	3,682	2,988	2,637	2,834	2,492	1,904
Number of Civil Cases	1,152	1,188	1,306	1,438	1,833	1,086	1,129	1,437	1,517	1,730
Construction Services										
Square Footage of Sidewalk Repairs	19,036	25,700	13,800	10,906	24,019	11,588	5,900	9,134	6,918	5,164
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	2,430	2,851	3,509	3,461	3,979	3,395	1,039	3,750	3,012	2,525
Juvenile	255	265	286	279	49	139	180	113	166	207
Citations	2,980	3,048	3,450	3,609	3,948	1,718	2,173	3,034	2,928	2,182
Accidents	1,440	1,358	1,386	1,447	2,039	1,626	1,793	1,815	1,626	1,879
Fire										
Emergency responses	4,972	5,593	6,089	5,453	5,956	5,323	5,988	6,331	6,452	6,723
Fire Calls	915	806	873	1,002	971	930	975	1,142	1,238	1,250
Inspections	1,846	1,460	1,441	1,752	1,427	938	1,427	1,400	1,263	1,284
Transportation										
Public Works										
Number of Street Miles Resurfaced	12	11	14	32	24	26	24	24	31	21
Tons of Street Salt Used	4,368	2,213	1,197	4,286	3,815	852	3,977	2,680	882	1,576
Cubic Yards of Leaves Picked-up	5,346	5,676	4,150	6,081	5,040	4,404	4,797	5,155	5,740	4,364

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Leisure										
Parks and Recreation										
Number of Theater Patrons	14,158	15,336	13,562	12,630	13,615	2,213	9,633	11,025	13,788	15,145
Number of Pool Admissions	26,511	26,062	24,893	29,621	38,984	0	31,450	24,941	22,143	25,469
Program Attendance:										
Youth/Preschool	19,418	20,570	20,946	22,647	19,079	4,198	10,119	18,820	9,952	9,951
Fitness	5,659	5,838	6,600	8,502	6,656	2,207	5,316	5,684	9,994	11,291
Senior Activities	19,160	19,896	20,500	20,540	20,258	4,458	3,237	4,982	13,279	15,591
Water										
Water main breaks	56	71	59	72	59	55	65	70	46	60
Average daily consumption (millions of gallons)	4.597	5.219	5.430	5.340	5.650	5.650	5.780	5.680	5.860	5.823
Peak daily consumption (millions of gallons)	6.884	7.256	7.319	8.280	8.050	7.820	8.400	8.100	8.370	10.918
Wastewater										
Average daily sewage treatment (millions of gallons)	5.216	4.779	5.133	5.791	5.870	5.230	5.330	5.380	4.980	5.058

Source: Various City Departments

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Municipal Building (square footage)	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	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	50,333	50,333
Police Cruisers	25	28	24	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	5
Number of EMS Vehicles	4	4	4	4	4	4	5	4	4	4
Public Works										
Area of City (square miles)	20.18	20.18	20.18	20.18	20.18	20.18	20.85	20.85	20.85	20.85
Streets (miles)	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.5
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	2,986	2,986	2,986	2,995	3,005	3,021	3,044	3,060	3,071
Traffic signals	61	61	61	61	61	61	61	61	61	60
Parks and Recreation										
Number of Parks	37	35	35	36	37	37	30	30	32	32
Area of Parks (acreage)	665	659	827	827	839	839	736	736	826	719
Playgrounds	14	14	14	14	15	15	15	15	14	15
Baseball/softball diamonds	20	20	20	20	20	20	20	20	20	19
Soccer/football fields	15	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	8	8
Water Mains (miles)	169	169	170	170	189	189	189	189	189	189
Fire hydrants	2,000	2,000	2,000	2,000	1,981	1,981	1,982	2,489	2,500	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