

City of Fairfield, Ohio

Schedule of Expenditures of Federal Awards and
Other OMB Circular A-133 Reports
Year Ended December 31, 2009



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Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Fairfield, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Fairfield is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 29, 2010

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City of Fairfield
Butler County
Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2009

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Justice:</u>				
Bulletproof Vest Partnership Program	2005BUBX05028859	16.607	\$ 900	900
Bulletproof Vest Partnership Program	2007BUBX07040845	16.607	-	2,906
			<u>900</u>	<u>3,806</u>
<i>Passed Through Butler County, Ohio:</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - ARRA	2009-SB-B9-0321	16.804	96,410	31,699
Total U.S. Department of Justice			<u>97,310</u>	<u>35,505</u>
<u>U.S. Department of Energy</u>				
Energy Efficiency and Conservation Block Grant - ARRA	DE-EE001556	81.128	187,500	146,239
Total U.S. Department of Energy			<u>187,500</u>	<u>146,239</u>
<u>U.S. Department of Transportation</u>				
<i>Passed Through Ohio Public Safety:</i>				
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	GG-2009-9-00-00-00575-00	20.605	46,765	46,765
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	GG-2010-9-00-00-00236-00	20.605	-	7,906
Total U.S. Department of Transportation			<u>46,765</u>	<u>54,671</u>
<u>U.S. Department of Homeland Security:</u>				
<i>Passed Through Ohio Public Safety:</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA1805DR01725970	97.036	416,522	-
Pre-Disaster Mitigation / Flood Protection	PDMC2006EMC2007PC0001	97.047	121,619	127,150
Total U.S. Department of Homeland Security			<u>538,141</u>	<u>127,150</u>
<u>U.S. Department of Housing and Urban Development (HUD):</u>				
<i>Passed Through Butler County, Ohio:</i>				
Community Development Block Grants/Entitlement Grants	B-07-UC-39-0008	14.218	77,700	77,700
Community Development Block Grants/Entitlement Grants	B-08-UC-39-0008	14.218	114,570	114,570
Total U.S. Department of Housing and Urban Development			<u>192,270</u>	<u>192,270</u>
Total Federal Assistance			<u>\$ 1,061,986</u>	<u>555,835</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Fairfield, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio ("City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 8, 2010. 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.

Internal control over financial reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and other matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2009-1.

We noted certain matters that we reported to management of City of Fairfield, Ohio, in a separate letter dated September 24, 2010.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City, City Council, the Ohio Auditor of State and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



Middletown, Ohio
July 8, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the City Council
City of Fairfield, Ohio:

Compliance

We have audited the compliance of City of Fairfield, Ohio (the "City") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-2 and 2009-3.

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Internal control over compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2009-2 and 2009-3 to be material weaknesses.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

Schedule of expenditures of federal awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2009, and have issued our report thereon dated July 8, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the City, City Council, the Ohio Auditor of State and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Middletown, Ohio
September 24, 2010 and
July 8, 2010 with respect to the schedule of expenditures of federal awards

**City Of Fairfield, Ohio
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2009**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	yes

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes
Identification of major programs:	
<i>CFDA 81.128 Department of Energy – Energy Efficiency Conservation Block Grant</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2009-1 – Appropriations in excess of estimated resources

Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed the total estimated resources. During our budgetary compliance review we noted instances in the funds listed below that had appropriations which exceeded estimated resources. We recommend the City implement procedures to ensure the appropriations do not exceed estimated resources.

Street Construction Maintenance
Municipal Motor Vehicle
Local Law Enforcement
Tax Increment Equivalent
Downtown Development

Management response: Management concurs with the finding and has implemented procedures to ensure as additional appropriations are approved by Council the estimated resources are amended.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2009-2 – ARRA Energy Efficiency Conservation Block Grant – CFDA # 81.128

Condition: We performed tests to determine if the City was in compliance with Period of Availability requirements, as applicable to the ARRA Energy Efficiency Conservation Block Grant. The project and contract was initiated prior to the City being awarded the grant. However, grant funds were used to fund the project and the City did not go back to amend certain elements of the contract to comply with certain terms under the grant agreement. The City used grant funding to fund expenditures that took place prior to the start of the grant period.

Criteria: The ARRA Energy Efficiency Conservation Block Grant funding agreement requires the City to ensure grant-funded expenditures occurred during the period of availability.

Effect: We identified \$12,532 in questioned costs due to using grant funds to reimburse expenditures that were incurred prior to September 23, 2009, the effective date of the grant agreement.

Cause: The City lacked procedures to ensure the applicable compliance requirements were met.

Recommendation: We recommend the City implement procedures to ensure compliance with the applicable Period of Availability requirements.

Managements Response: Management does not concur with the finding. City personnel inquired during the grant application process with Department of Energy (DOE) personnel about the expenses paid for a project already in process. City personnel received verbal assurance from DOE personnel the expenses related to the project would be included in the grant as the project related to improving HVAC controls that would result in significant energy savings.

Finding 2009-3 – ARRA Energy Efficiency Conservation Block Grant – CFDA # 81.128

Condition: We performed tests to determine if the City was properly preparing the required SF-425 quarterly reports. We noted that both the third and fourth quarter reports did not include all the expenditures that had incurred during the quarter.

Criteria: The ARRA Energy Efficiency Conservation Block Grant funding agreement requires the City complete the SF-425 Federal Financial Report quarterly. This report should be completed accurately and timely to report the activity within the program on a quarterly basis.

Effect: Improper completion and inaccurate reporting on the required reports could result in disallowed costs for the City's federal programs.

Cause: The City lacked procedures to ensure the proper completion of required reports.

Recommendation: We recommend the City implement procedures to ensure the required reports are completely and accurately prepared in a timely manner to comply with the grant agreement.

Management's Response: Management concurs with the finding and implemented procedures to ensure all reporting is completed accurately and timely.

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Finding 2008-1 – Appropriations in excess of estimated resources

Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed the total estimated resources. During our budgetary compliance review at July 31, 2008 and December 31, 2008, we found instances in the funds listed below that had appropriations which exceeded estimated resources. We recommend the City implement procedures to amend the estimated resources prior approving additional appropriations to ensure the funds are available and prevent fund deficits.

Street Construction Maintenance
Municipal Motor Vehicle
Tax Increment Equivalency
Flood Protection
Downtown Development
Sewer Bond Redemption
Sewer Surplus
Solid Waste Management
Recreation Facilities
Employee Benefits
Municipal Garage

Current Year Status: Repeated as finding 2009-1



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City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2009

City of Fairfield, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Prepared By:
Department of Finance
Mary Hopton, Director

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Introductory Section



June 30, 2010

The Honorable Ronald A. D'Epifanio, Mayor
Members of City Council
City of Fairfield
5350 Pleasant Avenue
Fairfield, Ohio 45014

The Comprehensive Annual Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 2009 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Fairfield, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

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

The City provides many of the municipal services normally associated with a municipality, including emergency services, street construction and maintenance, engineering, building and planning services, recreational facilities and activities and economic development.

In addition, water, sanitary sewer, solid waste collection and disposal, and recreation facilities are provided under an Enterprise Fund concept with user charges set by City Council to ensure adequate coverage of expenses and payments on outstanding debt.

Economic Conditions and Outlook

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

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

Several employers completed construction plans in 2009. One of the City's largest employers, Ohio Casualty, a division of Liberty Mutual, renovated its Fairfield facility to accommodate combined operations from other facilities in the Greater Cincinnati area. A division of Pacific Industries, Takumi Stamping, expanded their operations into a new facility. Pacific Industries supplies parts to the auto industry. Construction was completed in 2009 for Iwata Bolt USA, Inc.'s new facility. Iwata Bolt USA Inc. manufactures and distributes bolts and fastener supplies for the auto and consumer products industries. The City's income tax employer base has remained stable through the years. This trend has left Fairfield in sound financial standing to help weather the economic shift that occurred in 2009 and will likely continue for the next few years.

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 2009:

- 1) Redesign of the Council Chambers began in late 2008 and was completed in 2009. This redesign accommodates more seating and more efficient use of space at an approximate cost of \$450,000.
- 2) The second phase of the Municipal Building improvements included internal maintenance repairs, such as upgrading the HVAC system and computer and phone technology improvements. This phase was completed at a cost of \$125,000.

- 3) Construction was completed in June 2009 on improvements to a baseball park to honor Joe Nuxhall, former Cincinnati Reds pitcher and radio announcer. The improvements included a pavilion and a sculpture of Joe Nuxhall at a cost of approximately \$400,000.
- 4) Work was completed on the Northern Gateway Stanchion project. This stanchion was placed in front of the railroad overpass at the Fairfield/Hamilton border at an approximate cost of \$330,000 with \$230,000 from a Community Development Block Grant (CDBG).
- 5) Resurfacing of State Route 127, Pleasant Avenue was completed in 2009. This project cost approximately \$1.1 million with \$470,000 in funding from the Ohio Department of Transportation (ODOT).
- 6) The City created a tax increment financing (TIF) district in the northern area of the City. TIF monies will assist a developer with the redevelopment a plaza on Patterson Drive. The cost of the first phase is estimated at \$700,000. This project is part of the City's ongoing efforts to foster economic development and is continuing into 2010.
- 7) Work began on an adding a spray park to the Aquatic Center. The Aquatic Center is over 10 years old and needs to add a fresh feature to attract more customers. This project will cost approximately \$235,000 and will be completed by the 2010 season.

Future Projects

Accomplishments and significant capital projects to look forward to in 2010 include the following:

- 1) Work will begin on the Northern Route 4 Landscaping project. This project will provide landscaping enhancements in the right of way and on the outside edge of Route 4 to compliment the stanchion project that was completed in 2009. This project will cost approximately \$156,000. Of the total cost, outside funding from a Transportation Enhancement Grant (TEG) will be approximately \$125,000 with the remaining \$31,000 from City funds.
- 2) Work will begin on streetscape for Patterson Drive. This project is in conjunction with the TIF district for the redevelopment of Patterson Drive. This project will cost approximately \$216,000 and entirely funded by a Community Development Block Grant (CDBG).
- 3) In the summer of 2010, work will begin on the development of Black Bottom Park. This park will be situated along the Great Miami River and will allow park goers to have access to the river, create a parking area and other park amenities. This project will cost approximately \$400,000.
- 4) Improvements to By-Pass 4 will begin in June 2010. These improvements will add two lanes to By-Pass 4 from State Route 4 at the south end, north to Port Union Road. The intersection of Symmes Road and By-Pass 4 is being constructed by the Butler County Transportation Improvement District. This project will also include

modifying the intersection of By-Pass 4 and Dixie Highway by creating a diversion road to carry all left turn movements. This project is estimated to cost \$10.2 million with outside funding of \$1.2 million.

- 5) Preliminary work will begin on improvements to Exit 39 on I-275. The improvements include widening of the bridge, ramps and interchange along Gilmore Road, Mack Road and Kolb Drive. This project is expected to cost \$18 million with outside funding from grants and the City of Forest Park totaling \$14.2 million.

Internal Accounting and Budgetary Controls

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 2009.

Relevant Financial Policies

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

Cash Management

Excluding investments held by trustees, cash temporarily idle during the year 2009 was invested in State Treasury Asset Reserves (STAROhio). As of year-end, the City has invested 13% in Federal Home Loan Bank, 33% in Freddie Mac, 4% in Federal Farm Credit Bank and 50% in STAROhio. Interest earned (on the Statement of Activities) during 2009 was \$524,645 as compared to \$1,776,675 earned in 2008.

Debt Administration

The ratio of net debt to assessed valuation and net debt per capita is useful indications of the City of Fairfield's debt position to all interested parties.

The data for the City of Fairfield as of December 31, 2009 was as follows:

2009 Population (Estimated)	42,386
Assessed Valuation	<u>\$1,045,561,030</u>
Total General Obligation Debt	\$20,684,055
Less: Amount Available in Debt Service Fund	<u>33,012</u>
Net General Obligation Debt	<u>\$20,651,043</u>
Ratio of Net G.O. Debt to Assessed Valuation	1.98%
Debt per Capita	<u>\$487.21</u>

The City's total debt at the close of 2009 included the above mentioned \$20,684,055 in General Obligation debt, \$348,831 in capital leases, \$1,900,000 in notes payable and \$6,655,829 in OWDA loans. The City's General Obligation bonds continue to have an excellent rating, which they have carried for the past several years. In 2003, Moody's Investors Service upgraded the City's bonds to carry an "Aa2" credit rating with reaffirmation of the bond rating in October, 2009.

City Income Tax

The 1.5% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. An allocation was approved by the citizens in 2003 to allow the City's fiscal flexibility beginning January 1, 2004 with the tax rate remaining at 1.5%. The allocation is for 1.1% of the tax revenues to the General Fund, .2% to the Street Improvement Fund and .2% to the Capital Improvement Fund.

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

	2009	2008
Allocated to General Fund	\$16,325,147	\$17,727,592
Allocated to .2% Street Improvement Fund	2,968,209	3,223,198
Allocated to .2% Capital Improvement Fund	<u>2,968,209</u>	<u>3,223,198</u>
Gross Revenues	<u>\$22,261,565</u>	<u>\$24,173,988</u>

Risk Management

By statute and court decisions, Ohio retains only limited tort immunity for local government. In addition to potential tort liabilities, the City is liable for employees' Workers' Compensation claims, plus the risk of casualty loss to real and personal property owned by the City, and must provide faithful performance bonds for certain City officials. The City must also manage the risk of dental expense claims by employees eligible for health care coverage as a fringe benefit. For more information on risk management, see Note 5 in the Notes to the Basic Financial Statements.

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairfield for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2008. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

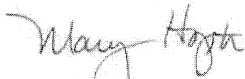
Acknowledgements

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

Respectfully submitted,
City of Fairfield, Ohio



Arthur E. Pizzano
City Manager



Mary Hopton
Director of Finance

City of Fairfield, Ohio
Public Officials

MAYOR

Ron D'Epifanio

COUNCIL MEMBERS

Vice Mayor – Mike Oler

Mike Snyder
Terry Senger
Tim Meyers

Mitch Rhodus
Tim Abbott
Marty Judd

APPOINTED OFFICIALS

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

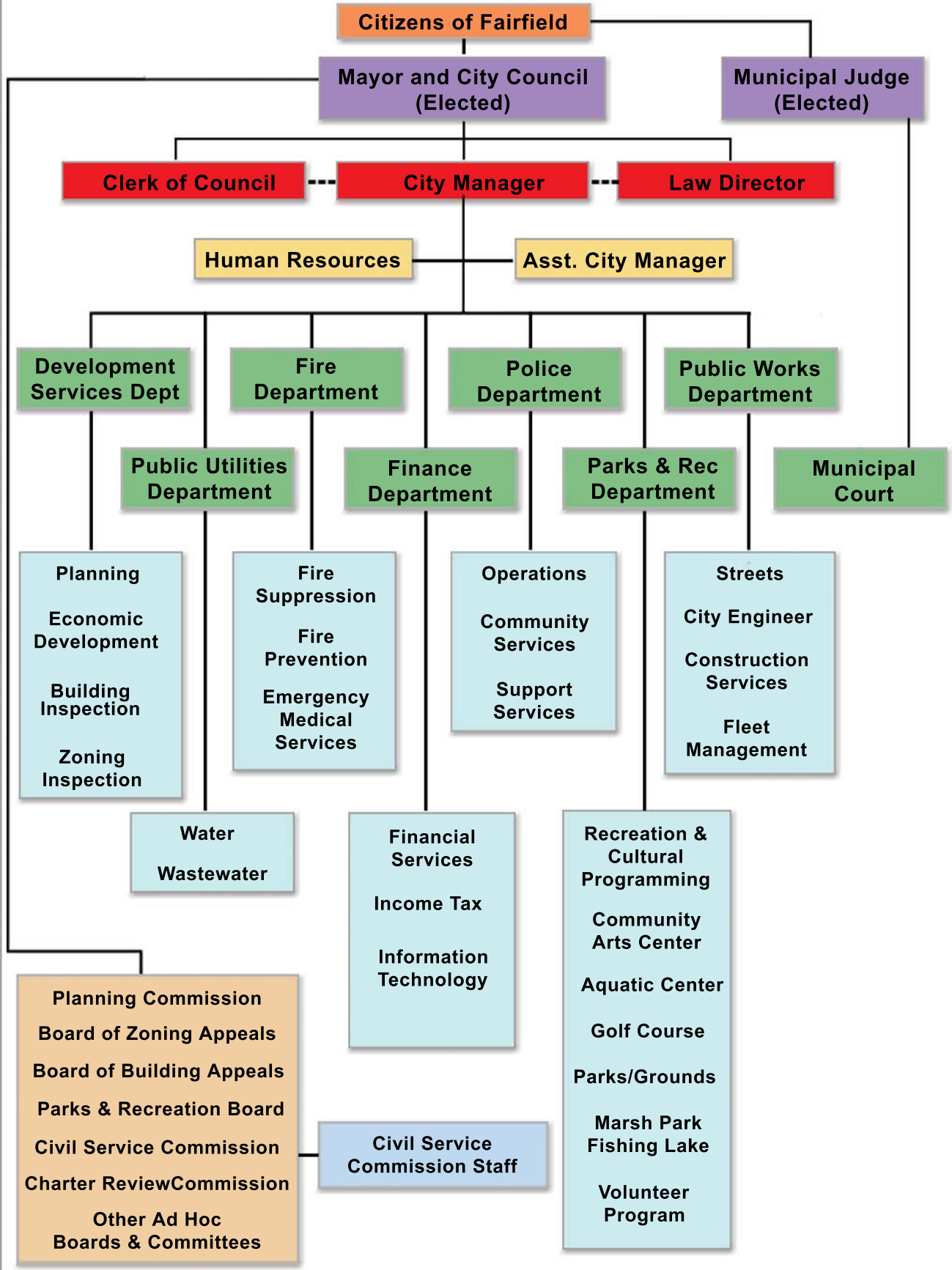
Arthur E. Pizzano
Dennis R. Stuckey
Mary Hopton
John H. Clemmons
Dave Butsch
James Bell
Dave Crouch
Timothy Bachman
Michael Dickey
Donald Bennett
Angela Johns

DEPARTMENT OF FINANCE

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

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

City of Fairfield, OH Service Delivery Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairfield
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

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Financial Section

INDEPENDENT AUDITORS' REPORT

To The City Council
City of Fairfield, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 14 and 59 through 60, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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middletown, oh 45042

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

Clark, Schaefer, Hochstetler & Co.

Middletown, Ohio
July 8, 2010

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(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, 2009. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The City's total net assets decreased \$3,992,814. Net assets of governmental activities decreased \$2,788,925, net assets of business-type activities decreased by \$1,203,889.
- The general fund reported a fund balance of \$10,586,610.
- Business-type operations reflected operating (loss) of (\$1,413,768).
- The City issued \$6.065 million in twenty-year General Obligation Bonds to replace outstanding Bond Anticipation Notes issued for construction of the 2005 Municipal Court-Police Services Building and for the 2006 Golf Course Clubhouse. The City also refinanced \$2.48 million in 1998 Water Revenue Bonds and \$2.75 million for 1999 Various Purpose General Obligation Bonds.
- The City renewed \$1.9 million in General Obligation Bond Anticipation Notes for improvements to the wastewater treatment plant.
- The City had \$40,411,936 in expenses relating to governmental activities; program revenues offset \$9,227,873 of these expenses. General revenues of \$28,963,198 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City of Fairfield is

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Fire Levy, .2% Street Improvement, Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities.

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

Proprietary Funds - When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

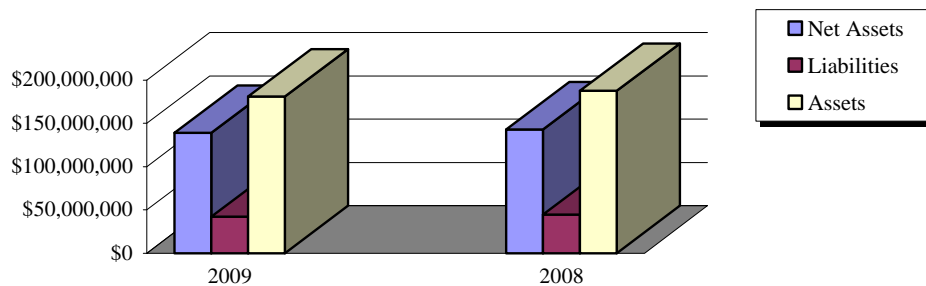
Fiduciary Funds - The City is the fiscal agent for the Municipal Court, Warranty Bonds and Joint Economic Development. The City's fiduciary responsibility is reported in the Statement of Fiduciary Assets and Liabilities. We exclude these balances from the City's other financial statements because the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

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$35,821,045	\$42,718,889	\$12,537,861	\$15,200,781	\$48,358,906	\$57,919,670
Capital Assets	83,155,824	80,015,826	49,513,929	49,640,864	132,669,753	129,656,690
Total Assets	118,976,869	122,734,715	62,051,790	64,841,645	181,028,659	187,576,360
Liabilities:						
Long-Term Liabilities	20,606,420	14,493,771	11,103,029	12,404,669	31,709,449	26,898,440
Other Liabilities	7,703,251	14,784,821	2,613,743	2,898,069	10,316,994	17,682,890
Total Liabilities	28,309,671	29,278,592	13,716,772	15,302,738	42,026,443	44,581,330
Net Assets:						
Invested in Capital Assets, Net of Related Debt	65,966,427	61,855,826	37,114,611	35,778,211	103,081,038	97,634,037
Restricted	14,757,991	16,285,100	1,018,871	1,270,771	15,776,862	17,555,871
Unrestricted	9,942,780	15,315,197	10,201,536	12,489,925	20,144,316	27,805,122
Total Net Assets	\$90,667,198	\$93,456,123	\$48,335,018	\$49,538,907	\$139,002,216	\$142,995,030



City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

Total net assets of the City as a whole decreased \$3,992,814. Net assets of the City's governmental activities decreased \$2,788,925, while the net assets of the City's business-type activities decreased \$1,203,889 from 2008. The largest portion of the City's net assets reflect its investment in capital assets, less any related debt to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens of the City. The City had an unrestricted net assets balance of \$20,144,316 that may be used to meet the government's ongoing obligations to citizens and creditors.

Current and other assets decreased mainly due to a decrease in Equity in Pooled Cash and Investments, which was due to a decrease in the investment balance in 2009 as compared to 2008. Other Liabilities decreased mainly due to the City paying off its short-term Justice Center and Golf Course Bond Anticipation Notes and reissuing both Notes as long-term bonds. The reissuance of these Bond Anticipation Notes as long-term bonds was the reason for the sharp increase in Long-Term Liabilities.

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City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

Table 2 shows the changes in net assets at year-end and revenue and expense comparisons to 2008.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program Revenues:						
Charges for Services	\$4,542,993	\$4,437,908	\$12,312,049	\$12,121,306	\$16,855,042	\$16,559,214
Operating Grants and Contributions	3,352,963	3,193,430	33,290	0	3,386,253	3,193,430
Capital Grants and Contributions	1,331,917	647,472	0	0	1,331,917	647,472
Total Program Revenues	9,227,873	8,278,810	12,345,339	12,121,306	21,573,212	20,400,116
General Revenues:						
Income Taxes	20,975,945	23,770,850	0	0	20,975,945	23,770,850
Property Taxes	5,468,680	4,413,079	0	0	5,468,680	4,413,079
Grants and Entitlements	1,571,533	3,008,438	0	0	1,571,533	3,008,438
Investment Earnings	403,898	1,416,837	120,747	359,838	524,645	1,776,675
Other Revenues	543,142	351,706	126,228	108,814	669,370	460,520
Total General Revenues	28,963,198	32,960,910	246,975	468,652	29,210,173	33,429,562
Total Revenues	38,191,071	41,239,720	12,592,314	12,589,958	50,783,385	53,829,678
Program Expenses:						
General Government	8,302,202	7,801,044	0	0	8,302,202	7,801,044
Public Safety	16,505,748	15,725,351	0	0	16,505,748	15,725,351
Leisure Time Activities	3,275,415	3,085,978	0	0	3,275,415	3,085,978
Community Development	1,489,030	1,702,850	0	0	1,489,030	1,702,850
Basic Utility Service	524,491	453,750	0	0	524,491	453,750
Transportation and Street Repair	9,604,526	10,437,041	0	0	9,604,526	10,437,041
Public Health and Welfare	23,074	23,457	0	0	23,074	23,457
Interest and Fiscal Charges	687,450	862,252	0	0	687,450	862,252
Water Utility	0	0	4,780,644	4,263,391	4,780,644	4,263,391
Sewer Utility	0	0	4,987,541	4,966,224	4,987,541	4,966,224
Solid Waste	0	0	2,373,306	2,266,099	2,373,306	2,266,099
Recreation	0	0	2,222,772	2,095,997	2,222,772	2,095,997
Total Program Expenses	40,411,936	40,091,723	14,364,263	13,591,711	54,776,199	53,683,434
Increase (Decrease) in Net Assets before Transfers	(2,220,865)	1,147,997	(1,771,949)	(1,001,753)	(3,992,814)	146,244
Transfers - Internal Activities	(568,060)	(1,280,000)	568,060	1,280,000	0	0
Change in Net Assets	(2,788,925)	(132,003)	(1,203,889)	278,247	(3,992,814)	146,244
Net Assets Beginning of Year	93,456,123	93,588,126	49,538,907	49,260,660	142,995,030	142,848,786
Net Assets End of Year	\$90,667,198	\$93,456,123	\$48,335,018	\$49,538,907	\$139,002,216	\$142,995,030

Governmental Activities

The City had a decrease in revenues mainly due to a decrease in income tax collections and investment earnings. Total expenses increased ~ 1%.

Council was active in promoting economic growth in Fairfield in 2009, as this economic growth does increase the earnings tax base as well. Fairfield has continued attracting employers to our

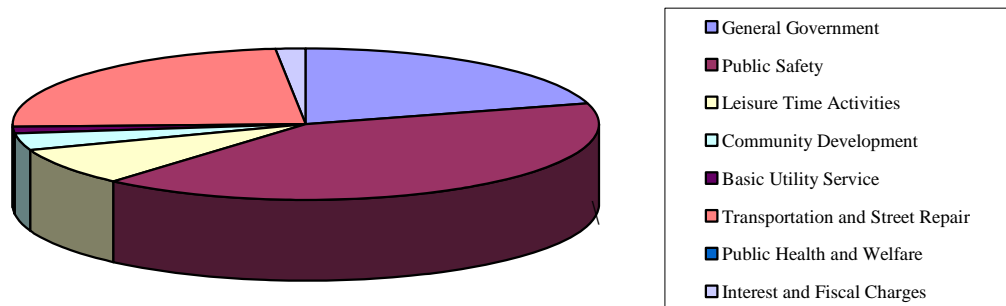
City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

City in the year 2009, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.50% income tax is the largest source of revenue for the City.

Revenues generated by the earnings tax represent more than 72% of the City's governmental activities general revenues. During 2009, when most communities were faced with budget cuts due to the economic downturn of the economy, the City's 2009 earnings tax revenues decreased approximately (11.8%) over 2008 earnings tax revenues.

Governmental Activities
Program Expenses for 2009

	<u>Percentage</u>
General Government	20.54%
Public Safety	40.84%
Leisure Time Activities	8.11%
Community Development	3.68%
Basic Utility Service	1.30%
Transportation and Street Repair	23.77%
Public Health and Welfare	0.06%
Interest and Fiscal Charges	1.70%
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.

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

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

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

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had an operating loss of \$1,413,768 for 2009. The operating revenues for business-type activities were \$12,438,277, while operating expenses were \$13,852,045 for 2009. The operating loss for 2009 was mainly due to an increase in materials and supplies expenses for the Water Utility fund and in the Solid Waste Management fund charges for services revenue does not exceed the contractual services expense, since the City does not fully charge its residential customers for this service (the City only charges the residential customers for a portion of the waste collection and subsidizes the rest with an operating transfer).

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

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

exchange plant, and 4.5 MGD for each of the two phases of the lime/soda ash plant expansion.

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

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

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

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

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

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

Waste Collection – The City contract with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2007, Council authorized a five-year contract with an option to renew for five additional years with Rumpke for Fairfield residents' waste and recycling collection. Per the City's contract the 2009 rate was \$12.00 per month for curbside service and \$6.80 per month for dumpster service. Annual increases are scheduled throughout the contract which will result in the curbside rate to be \$14.00 and the dumpster rate to be \$7.90 at the end of the five year contract.

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

The City charges a portion of the waste collection contract back to the residential customers of the service while the City subsidizes the difference with an operating transfer from the General Fund. In 2008, City Council passed an ordinance that structured user charges at \$8.79 per month for curbside service and \$5.80 per month for dumpster service. Annual increases were scheduled through the year 2011.

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

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

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

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

The City's Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and .2% Street Improvement Fund. Assets of the general fund comprised \$15,740,841 (44%), the fire levy fund comprised \$5,006,928 (14%), and the .2% street improvement fund comprised \$4,823,864 (13%), of the total \$35,925,223 governmental funds assets.

General Fund: Fund balance at December 31, 2009 was \$10,586,610 a decrease in fund balance of \$2,538,379 from 2008. The general fund had a decrease in taxes revenue due to a decrease in the amount of income tax collections received in 2009 as compared to 2008.

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

Fire Levy Fund: Fund balance at December 31, 2009 was \$243,624 a decrease in fund balance of \$35,846 from 2008.

.2% Street Improvement Fund: Fund balance at December 31, 2009 was \$4,349,987 a decrease in fund balance of \$2,456,773 from 2008. The .2% street improvement fund had a decrease in fund balance primarily due to an increase in transportation and capital outlay expenditures.

General Fund Budgeting Highlights

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

For the General Fund, the final budgeted expenditures were \$26,521,040 and the final actual expenditures were \$24,347,572. The difference was \$2,173,468. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following: the City conservatively budgeted for the general government and public safety for 2009. As the City completed the year, its General Fund balance reported an actual fund balance of \$9,521,583, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$132,669,753 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2009 balances compared to 2008:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$14,814,023	\$14,663,023	\$1,641,949	\$1,641,949	\$16,455,972	\$16,304,972
Construction in Progress	3,825,537	999,237	360,180	402,795	4,185,717	1,402,032
Buildings and Improvements	46,291,833	45,215,383	47,048,244	46,746,235	93,340,077	91,961,618
Equipment	15,728,657	14,853,104	3,835,065	3,668,992	19,563,722	18,522,096
Infrastructure	76,879,424	74,850,466	32,475,642	31,102,769	109,355,066	105,953,235
Accumulated Depreciation	(74,383,650)	(70,565,387)	(35,847,151)	(33,921,876)	(110,230,801)	(104,487,263)
Total Net Capital Assets	<u>\$83,155,824</u>	<u>\$80,015,826</u>	<u>\$49,513,929</u>	<u>\$49,640,864</u>	<u>\$132,669,753</u>	<u>\$129,656,690</u>

Capital Assets, net of accumulated depreciation, increased mainly due to the continued progress of various construction projects throughout the City.

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

Debt

The City had \$17,189,397 in Governmental Activities long-term debt and \$10,499,318 in Business-Type Activities long-term debt.

Table 4
Outstanding Debt at Year End

		<u>2009</u>	<u>2008</u>
Governmental Activities:			
<u>Bonds and Notes:</u>			
Fire Station Bond	6.90%	\$90,000	\$170,000
Various Purpose - 1999	4.50 - 4.60%	0	2,740,000
Various Purpose - 2002	4.00 - 4.90%	2,435,000	2,725,000
Community Arts Center Bond	2.00-4.20%	5,710,000	6,025,000
Various Purpose Golf and Justice Center - 2009	3.23%	6,065,000	0
Various Purpose Refunding - 2009	3.23%	2,510,000	0
Premium/(Discount) Various Purpose Refunding - 2009		30,566	0
Total Bonds and Notes:		<u>16,840,566</u>	<u>11,660,000</u>
Capital Lease	5.31%	348,831	0
Total Governmental Activities		<u><u>\$17,189,397</u></u>	<u><u>\$11,660,000</u></u>
Business Type Activities:			
OWDA Wastewater Improvement Loan	3.79-4.12%	\$6,655,829	\$7,362,653
Various Purpose Recreation Bonds	4.34%	1,605,000	1,700,000
Water Refunding Mortgage Revenue Bond - 1998	3.76-5.05%	0	2,800,000
Water Refunding Mortgage Revenue Bond - 2009	3.15%	2,200,000	0
Premium on Various Purpose Water Refunding - 2009		38,489	0
Total Business Type Activities		<u><u>\$10,499,318</u></u>	<u><u>\$11,862,653</u></u>

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

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

ECONOMIC FACTORS

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(Unaudited)

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

City of Fairfield, Ohio
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$23,362,889	\$9,907,381	\$33,270,270
Restricted Cash and Investments	0	1,018,871	1,018,871
Receivables:			
Taxes	10,142,101	0	10,142,101
Accounts	270,286	1,320,992	1,591,278
Interest	173,575	8,462	182,037
Intergovernmental	1,800,477	0	1,800,477
Deferred Bond Issuance Costs	71,717	20,343	92,060
Inventory	0	261,812	261,812
Nondepreciable Capital Assets	18,639,560	2,002,129	20,641,689
Depreciable Capital Assets, Net	64,516,264	47,511,800	112,028,064
Total Assets	118,976,869	62,051,790	181,028,659
Liabilities:			
Accounts Payable	625,780	200,864	826,644
Accrued Wages and Benefits	1,725,285	293,395	2,018,680
Accrued Interest Payable	74,361	20,191	94,552
Unearned Revenue	5,264,883	0	5,264,883
Other Liabilities	0	150,142	150,142
Claims Payable	12,942	0	12,942
Due To Other Governments	0	49,151	49,151
Bond Anticipated Notes Payable	0	1,900,000	1,900,000
Long-Term Liabilities:			
Due Within One Year	1,294,944	1,159,965	2,454,909
Due In More Than One Year	19,311,476	9,943,064	29,254,540
Total Liabilities	28,309,671	13,716,772	42,026,443
Net Assets:			
Invested in Capital Assets, Net of Related Debt	65,966,427	37,114,611	103,081,038
Restricted for:			
Debt Service	1,451,329	1,018,871	2,470,200
Capital Projects	8,237,757	0	8,237,757
Other Purposes	5,068,905	0	5,068,905
Unrestricted	9,942,780	10,201,536	20,144,316
Total Net Assets	\$90,667,198	\$48,335,018	\$139,002,216

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2009

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$8,302,202	\$2,135,946	\$468,174	\$187,500
Public Safety	16,505,748	1,264,931	492,361	0
Leisure Time Activities	3,275,415	248,862	0	0
Community Development	1,489,030	365,788	0	313,889
Basic Utility Service	524,491	512,159	0	0
Transportation and Street Repair	9,604,526	15,307	2,392,428	830,528
Public Health and Welfare	23,074	0	0	0
Interest and Fiscal Charges	687,450	0	0	0
Total Governmental Activities	40,411,936	4,542,993	3,352,963	1,331,917
Business-Type Activities:				
Water Utility	4,780,644	3,759,023	0	0
Sewer Utility	4,987,541	4,720,792	0	0
Solid Waste	2,373,306	1,774,420	33,290	0
Recreation	2,222,772	2,057,814	0	0
Total Business-Type Activities	14,364,263	12,312,049	33,290	0
Totals	\$54,776,199	\$16,855,042	\$3,386,253	\$1,331,917

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$5,510,582)	\$0	(\$5,510,582)
(14,748,456)	0	(14,748,456)
(3,026,553)	0	(3,026,553)
(809,353)	0	(809,353)
(12,332)	0	(12,332)
(6,366,263)	0	(6,366,263)
(23,074)	0	(23,074)
(687,450)	0	(687,450)
<u>(31,184,063)</u>	<u>0</u>	<u>(31,184,063)</u>
0	(1,021,621)	(1,021,621)
0	(266,749)	(266,749)
0	(565,596)	(565,596)
0	(164,958)	(164,958)
<u>0</u>	<u>(2,018,924)</u>	<u>(2,018,924)</u>
<u>(31,184,063)</u>	<u>(2,018,924)</u>	<u>(33,202,987)</u>
20,975,945	0	20,975,945
1,547,487	0	1,547,487
3,921,193	0	3,921,193
1,571,533	0	1,571,533
375,000	0	375,000
403,898	120,747	524,645
168,142	126,228	294,370
(568,060)	568,060	0
<u>28,395,138</u>	<u>815,035</u>	<u>29,210,173</u>
(2,788,925)	(1,203,889)	(3,992,814)
<u>93,456,123</u>	<u>49,538,907</u>	<u>142,995,030</u>
<u>\$90,667,198</u>	<u>\$48,335,018</u>	<u>\$139,002,216</u>

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General	Fire Levy	.2% Street Improvement	Other Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$9,963,031	\$647,790	\$4,174,505	\$8,570,703
Receivables:				
Taxes	4,715,518	4,179,187	623,698	623,698
Accounts	270,286	0	0	0
Interest	145,113	0	25,661	2,801
Intergovernmental	464,138	179,951	0	1,156,388
Interfund	182,755	0	0	0
Total Assets	15,740,841	5,006,928	4,823,864	10,353,590
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	296,639	18,634	102,268	193,762
Accrued Wages and Benefits	1,190,576	385,727	0	119,432
Interfund Payable	0	0	0	182,755
Deferred Revenue	3,667,016	4,358,943	371,609	1,316,659
Total Liabilities	5,154,231	4,763,304	473,877	1,812,608
Fund Balances:				
Reserved for Encumbrances	323,790	24,476	600,144	1,129,058
Unreserved, Undesignated, Reported in:				
General Fund	10,262,820	0	0	0
Special Revenue Funds	0	219,148	0	4,214,388
Debt Service Funds	0	0	0	1,453,973
Capital Projects Funds	0	0	3,749,843	1,743,563
Total Fund Balances	10,586,610	243,624	4,349,987	8,540,982
Total Liabilities and Fund Balances	\$15,740,841	5,006,928	\$4,823,864	\$10,353,590

See accompanying notes to the basic financial statements.

Total Governmental Funds
\$23,356,029
10,142,101
270,286
173,575
1,800,477
182,755
<u>35,925,223</u>
611,303
1,695,735
182,755
9,714,227
<u>12,204,020</u>
2,077,468
10,262,820
4,433,536
1,453,973
5,493,406
<u>23,721,203</u>
<u>\$35,925,223</u>

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City of Fairfield, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2009

Total Governmental Fund Balance		\$23,721,203
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		83,155,824
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	\$2,595,940	
Delinquent Property Taxes	199,482	
Interest	172,320	
Intergovernmental	<u>1,481,602</u>	
		4,449,344
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(130,578)
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(74,361)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(3,336,554)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		71,717
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		<u>(17,189,397)</u>
Net Assets of Governmental Activities		<u><u>\$90,667,198</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2009

	General	Fire Levy	.2% Street Improvement	Other Governmental Funds
Revenues:				
Taxes	\$17,255,195	\$3,885,378	\$2,860,587	\$2,860,587
Fines, Licenses & Permits	1,317,277	5,425	0	813,299
Charges for Services	1,019,954	1,191,651	0	0
Investment Earnings	189,166	371	136,374	81,086
Intergovernmental	2,808,177	393,319	178,173	3,180,832
Special Assessments	69,656	0	0	0
Other Revenues	254,766	3,587	0	403,978
Total Revenues	22,914,191	5,479,731	3,175,134	7,339,782
Expenditures:				
Current:				
General Government	7,565,258	0	0	367,513
Public Safety	9,745,023	5,489,571	0	27,644
Leisure Time Activities	2,600,220	0	0	0
Community Development	1,439,439	0	0	0
Basic Utility Service	524,491	0	0	0
Transportation and Street Repair	0	0	3,135,688	4,182,632
Public Health and Welfare	23,074	0	0	0
Capital Outlay	1,361,232	26,006	2,090,459	3,425,280
Debt Service:				
Principal Retirement	29,515	0	0	925,000
Interest and Fiscal Charges	0	0	0	565,524
Bond Issuance Cost	0	0	0	74,141
Total Expenditures	23,288,252	5,515,577	5,226,147	9,567,734
Excess of Revenues Over (Under) Expenditures	(374,061)	(35,846)	(2,051,013)	(2,227,952)
Other Financing Sources (Uses):				
Issuance of Capital Leases	378,346	0	0	0
Proceeds from Sale of Capital Assets	336	0	0	10
Issuance of Long-Term Capital-Related Debt	0	0	0	6,065,000
Payments to Refunded Bond Escrow Agent	0	0	0	(2,829,535)
Sale of Refunding Bonds	0	0	0	2,750,000
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	35,083
Transfers In	0	0	0	9,330,293
Transfers (Out)	(2,543,000)	0	(405,760)	(7,099,593)
Total Other Financing Sources (Uses)	(2,164,318)	0	(405,760)	8,251,258
Net Change in Fund Balance	(2,538,379)	(35,846)	(2,456,773)	6,023,306
Fund Balance Beginning of Year	13,124,989	279,470	6,806,760	2,517,676
Fund Balance End of Year	\$10,586,610	\$243,624	\$4,349,987	\$8,540,982

See accompanying notes to the basic financial statements.

Total Governmental Funds
\$26,861,747
2,136,001
2,211,605
406,997
6,560,501
69,656
662,331
38,908,838
7,932,771
15,262,238
2,600,220
1,439,439
524,491
7,318,320
23,074
6,902,977
954,515
565,524
74,141
43,597,710
(4,688,872)
378,346
346
6,065,000
(2,829,535)
2,750,000
35,083
9,330,293
(10,048,353)
5,681,180
992,308
22,728,895
\$23,721,203

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, 2009

Net Change in Fund Balance - Total Governmental Funds \$992,308

Amounts reported for governmental activities in the
 statement of activities are different because:

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$7,551,260	
Depreciation Expense	<u>(4,375,856)</u>	
		3,175,404

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. (35,406)

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

Income Taxes	(\$457,277)	
Delinquent Property Taxes	37,364	
Interest	13,667	
Intergovernmental	<u>(311,521)</u>	
		(717,767)

In the statement of activities, certain costs and proceeds associated with
 long-term debt obligations issued during the year are accrued and
 amortized over the life of the debt obligation. In governmental funds
 these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	\$74,141	
Premium on Bonds Issued	(35,083)	
Refunding Bonds	(2,750,000)	
Bonds Refunded	<u>2,740,000</u>	
		29,058

Repayment of bond and capital lease principal is an expenditure
 in the governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 954,515

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. (34,484)

(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, 2009

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	(\$578,520)	
Amortization of Bond Issuance Cost	(2,424)	
Amortization of Bond Premium	4,517	
Compensated Absences		(576,427)

The internal service fund used by management to charge back costs to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (132,780)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (6,443,346)

Change in Net Assets of Governmental Activities (2,788,925)

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Current Assets:				
Equity in Pooled Cash and Investments	\$6,462,714	\$2,951,496	\$1,557	\$491,614
Restricted Cash and Investments	1,018,871	0	0	0
Receivables:				
Accounts	527,252	560,107	233,633	0
Interest	6,458	2,004	0	0
Inventory	259,003	0	0	2,809
Total Current Assets	8,274,298	3,513,607	235,190	494,423
Noncurrent Assets:				
Nondepreciable Capital Assets	1,015,650	479,479	0	507,000
Depreciable Capital Assets, Net	16,673,816	27,216,764	0	3,621,220
Deferred Bond Issuance Costs	20,343	0	0	0
Total Noncurrent Assets	17,709,809	27,696,243	0	4,128,220
Total Assets	25,984,107	31,209,850	235,190	4,622,643
Liabilities:				
Accounts Payable	108,501	86,483	1,037	4,843
Accrued Wages and Benefits	114,638	131,518	1,382	45,857
Compensated Absences	28,357	4,940	1,097	34,927
Accrued Interest Payable	4,583	9,817	0	5,791
Other Liabilities	150,142	0	0	0
Claims Payable	0	0	0	0
Due To Other Governments	0	49,151	0	0
Bond Anticipated Notes Payable	0	1,900,000	0	0
Long-Term Liabilities Due Within One Year	250,000	735,644	0	105,000
Total Current Liabilities	656,221	2,917,553	3,516	196,418
Long-Term Liabilities:				
Compensated Absences	201,202	270,209	171	62,808
Bonds, Notes & Loans Payable	1,988,489	5,920,185	0	1,500,000
Total Long-Term Liabilities	2,189,691	6,190,394	171	1,562,808
Total Liabilities	2,845,912	9,107,947	3,687	1,759,226
Net Assets:				
Invested in Capital Assets, Net of Related Debt	15,450,977	19,140,414	0	2,523,220
Restricted for:				
Debt Service	1,018,871	0	0	0
Unrestricted	6,668,347	2,961,489	231,503	340,197
Total Net Assets	\$23,138,195	\$22,101,903	\$231,503	\$2,863,417

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$9,907,381	\$6,860
1,018,871	0
1,320,992	0
8,462	0
261,812	0
<u>12,517,518</u>	<u>6,860</u>
2,002,129	0
47,511,800	0
20,343	0
<u>49,534,272</u>	<u>0</u>
<u>62,051,790</u>	<u>6,860</u>
200,864	14,477
293,395	29,550
69,321	0
20,191	0
150,142	0
0	12,942
49,151	0
1,900,000	0
1,090,644	0
<u>3,773,708</u>	<u>56,969</u>
534,390	80,469
9,408,674	0
<u>9,943,064</u>	<u>80,469</u>
<u>13,716,772</u>	<u>137,438</u>
37,114,611	0
1,018,871	0
10,201,536	(130,578)
<u>\$48,335,018</u>	<u>(\$130,578)</u>

City of Fairfield, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Operating Revenues:				
Fines, Licenses & Permits	\$11,686	\$26,702	\$0	\$0
Charges for Services	3,747,337	4,694,090	1,774,420	2,057,814
Other Revenues	102,933	1,384	0	21,911
Total Operating Revenues	3,861,956	4,722,176	1,774,420	2,079,725
Operating Expenses:				
Personal Services	1,820,052	2,169,784	24,806	1,034,628
Contractual Services	1,037,962	843,121	2,347,137	524,298
Materials and Supplies	1,169,207	489,479	1,363	413,815
Depreciation	604,245	1,161,831	0	173,820
Other Expenses	36,497	0	0	0
Total Operating Expenses	4,667,963	4,664,215	2,373,306	2,146,561
Operating Income (Loss)	(806,007)	57,961	(598,886)	(66,836)
Non-Operating Revenues (Expenses):				
Investment Earnings	102,768	17,564	0	415
Interest (Expense)	(112,681)	(323,326)	0	(76,211)
Operating Grants	0	0	33,290	0
Total Non-Operating Revenues (Expenses)	(9,913)	(305,762)	33,290	(75,796)
Income (Loss) Before Transfers	(815,920)	(247,801)	(565,596)	(142,632)
Transfers In	40,720	0	460,000	128,000
Transfers (Out)	(60,660)	0	0	0
Change in Net Assets	(835,860)	(247,801)	(105,596)	(14,632)
Net Assets Beginning of Year	23,974,055	22,349,704	337,099	2,878,049
Net Assets End of Year	<u>\$23,138,195</u>	<u>\$22,101,903</u>	<u>\$231,503</u>	<u>\$2,863,417</u>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$38,388	\$0
12,273,661	4,081,459
126,228	518
<u>12,438,277</u>	<u>4,081,977</u>
5,049,270	487,758
4,752,518	3,499,757
2,073,864	377,389
1,939,896	0
36,497	0
<u>13,852,045</u>	<u>4,364,904</u>
<u>(1,413,768)</u>	<u>(282,927)</u>
120,747	147
(512,218)	0
33,290	0
<u>(358,181)</u>	<u>147</u>
(1,771,949)	(282,780)
628,720	150,000
(60,660)	0
(1,203,889)	(132,780)
<u>49,538,907</u>	<u>2,202</u>
<u>\$48,335,018</u>	<u>(\$130,578)</u>

City of Fairfield, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Solid Waste Management	Recreation Facilities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$3,783,724	\$4,787,644	\$1,785,985	\$2,079,725
Cash Payments to Employees	(1,782,069)	(2,127,695)	(23,968)	(1,037,943)
Cash Payments to Suppliers	(2,410,621)	(1,344,492)	(2,349,146)	(935,407)
Net Cash Provided (Used) by Operating Activities	(408,966)	1,315,457	(587,129)	106,375
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	0	0	33,290	0
Payments from Other Funds	0	0	460,000	128,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	493,290	128,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(1,482,017)	(320,393)	0	(10,551)
Debt Principal Payments	(600,000)	(706,824)	0	(95,000)
Debt Interest Payments	(104,250)	(329,009)	0	(76,568)
Issuance of Short-Term Notes	0	1,900,000	0	0
Payment of Short-Term Notes	0	(2,000,000)	0	0
Payments to Refunded Bond Escrow Agent	(2,545,160)	0	0	0
Sale of Refunding Bonds	2,480,000	0	0	0
Premium on Sale of Refunded Bonds	43,300	0	0	0
Bond Issuance Cost on Sale of Refunding Bonds	21,860	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,186,267)	(1,456,226)	0	(182,119)
Cash Flows from Investing Activities:				
Earnings on Investments	151,378	18,473	0	415
Net Cash Provided (Used) by Cash Flows from Investing Activities	151,378	18,473	0	415
Net Increase (Decrease) in Cash and Cash Equivalents	(2,443,855)	(122,296)	(93,839)	52,671
Cash and Cash Equivalents Beginning of Year	9,925,440	3,073,792	95,396	438,943
Cash and Cash Equivalents End of Year	<u>7,481,585</u>	<u>2,951,496</u>	<u>1,557</u>	<u>491,614</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(806,007)	57,961	(598,886)	(66,836)
Adjustments:				
Depreciation	604,245	1,161,831	0	173,820
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(78,232)	65,468	11,565	0
(Increase) Decrease in Inventory	2,846	0	0	7,959
Increase (Decrease) in Payables	(169,801)	(15,782)	(646)	(5,253)
Increase (Decrease) in Accrued Liabilities	37,983	45,979	838	(3,315)
Net Cash Provided (Used) by Operating Activities	(\$408,966)	\$1,315,457	(\$587,129)	\$106,375

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$12,437,078	\$4,081,977
(4,971,675)	(481,941)
(7,039,666)	(3,878,991)
<u>425,737</u>	<u>(278,955)</u>
33,290	0
<u>588,000</u>	<u>150,000</u>
<u>621,290</u>	<u>150,000</u>
(1,812,961)	0
(1,401,824)	0
(509,827)	0
1,900,000	0
(2,000,000)	0
(2,545,160)	0
2,480,000	0
43,300	0
<u>21,860</u>	<u>0</u>
<u>(3,824,612)</u>	<u>0</u>
<u>170,266</u>	<u>147</u>
<u>170,266</u>	<u>147</u>
(2,607,319)	(128,808)
<u>13,533,571</u>	<u>135,668</u>
<u>\$10,926,252</u>	<u>6,860</u>
(\$1,413,768)	(282,927)
1,939,896	0
(1,199)	0
10,805	0
(191,482)	(1,845)
<u>81,485</u>	<u>5,817</u>
<u>\$425,737</u>	<u>(\$278,955)</u>

City of Fairfield, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2009

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$152,123</u>
Total Assets	<u><u>152,123</u></u>
Liabilities:	
Other Liabilities	<u>152,123</u>
Total Liabilities	<u><u>\$152,123</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in a joint venture called the West Chester Township Joint Economic Development District (JEDD). This joint venture is presented in Note 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 City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For the business-type activities and to its enterprise funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City’s accounting policies are described below.

Basis of Presentation

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources)

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Accounting

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

Governmental Funds

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

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

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

.2% Street Improvement Capital Projects Fund - This capital projects fund accounts for the construction and repair of the City's streets. Financing has been derived from two-tenths of the City's income tax.

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

Proprietary Funds

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Proprietary funds are classified as either enterprise or internal service.

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

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

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

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

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

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

Fiduciary Funds

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

Basis of Accounting

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2009 amounted to \$189,166 in the general fund, \$371 in the fire levy fund, \$136,374 in the .2% street improvement fund, \$81,086 in other governmental funds, \$102,768 in the water utility fund, \$17,564 in the sewer utility fund, \$415 in the recreation facilities fund and \$147 in the employees' benefits (internal service) fund.

Inventory

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

Capital Assets

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

government-wide statement of net assets and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City will capitalize capital assets with a cost of \$1,000 or more, depending on the Asset Class.

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

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance Reserves

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

Restricted Assets

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

Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$15,776,862 in restricted net assets, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Estimates

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

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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAROhio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2009, \$11,176,379 of the City's bank balance of \$17,426,424 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

Investments

As of December 31, 2009, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Freddie Mac	\$5,820,198	1.22
Federal Home Loan Bank	2,369,773	2.33
Federal Farm Credit Bank	760,785	2.12
STAROhio	9,000,000	0.17
Total Fair Value	\$17,950,756	
Portfolio Weighted Average Maturity		0.88

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

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Freddie Mac, and Federal Farm Credit Bank were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Investments in STAROhio were rated AAAM by Standard & Poors.

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 13% in Federal Home Loan Bank, 33% in Freddie Mac, 4% in Federal Farm Credit Bank, and 50% in STAROhio.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 4 – Receivables

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

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

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible personal property taxes were levied after October 1, 2008, on the value as of December 31, 2008. Collections were made in 2009. Tangible personal property assessments are 25 percent of true value.

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

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

	<u>Amount</u>
Real Property	\$1,021,253,020
Public Utility	<u>24,308,010</u>
Total	<u><u>\$1,045,561,030</u></u>

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

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

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2009. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2009 operations. The receivable is therefore offset by a credit to deferred revenue.

Income Taxes

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

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

Note 5 – Risk Management

Description

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Claim Liabilities

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

Unpaid Claim Liabilities

The following figures represent the changes in dental claims liabilities for the City from January 1, 2008 to December 31, 2009:

Claims Liability, 1/1/08	\$15,038
Claims net of changes in estimates	241,554
Payments	<u>(234,215)</u>
Claims Liability, 12/31/08	22,377
Claims net of changes in estimates	277,838
Payments	<u>(287,273)</u>
Claims Liability, 12/31/09	<u><u>\$12,942</u></u>

Note 6 – Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$14,663,023	\$151,000	\$0	\$14,814,023
Construction in Progress	999,237	5,722,856	2,896,556	3,825,537
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	45,215,383	1,076,450	0	46,291,833
Equipment	14,853,104	1,468,552	592,999	15,728,657
Infrastructure	74,850,466	2,028,958	0	76,879,424
Totals at Historical Cost	<u>150,581,213</u>	<u>10,447,816</u>	<u>3,489,555</u>	<u>157,539,474</u>
Less Accumulated Depreciation:				
Buildings and Improvements	14,081,563	1,345,580	0	15,427,143
Equipment	10,854,716	1,110,337	557,593	11,407,460
Infrastructure	45,629,108	1,919,939	0	47,549,047
Total Accumulated Depreciation	<u>70,565,387</u>	<u>4,375,856</u>	<u>557,593</u>	<u>74,383,650</u>
Governmental Activities Capital Assets, Net	<u><u>\$80,015,826</u></u>	<u><u>\$6,071,960</u></u>	<u><u>\$2,931,962</u></u>	<u><u>\$83,155,824</u></u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,641,949	\$0	\$0	\$1,641,949
Construction in Progress	402,795	223,107	265,722	360,180
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	46,746,235	302,009	0	47,048,244
Equipment	3,668,992	180,694	14,621	3,835,065
Infrastructure	31,102,769	1,372,873	0	32,475,642
Totals at Historical Cost	<u>83,562,740</u>	<u>2,078,683</u>	<u>280,343</u>	<u>85,361,080</u>
Less Accumulated Depreciation:				
Buildings and Improvements	19,177,494	952,650	0	20,130,144
Equipment	2,285,223	251,616	14,621	2,522,218
Infrastructure	12,459,159	735,630	0	13,194,789
Total Accumulated Depreciation	<u>33,921,876</u>	<u>1,939,896</u>	<u>14,621</u>	<u>35,847,151</u>
Business-Type Activities Capital Assets, Net	<u>\$49,640,864</u>	<u>\$138,787</u>	<u>\$265,722</u>	<u>\$49,513,929</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$381,710
Public Safety	928,034
Leisure Time Activities	708,254
Community Development	22,427
Transportation and Street Repair	<u>2,335,431</u>
Total Depreciation Expense	<u>\$4,375,856</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 8 – Notes Payable

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

		Beginning Balance	Issued	Retired	Ending Balance
Downtown Development Fund:					
Justice Center Bond Anticipation Note	3.50%	\$5,000,000	\$0	(\$5,000,000)	\$0
Golf Center Bond Anticipation Note	4.00%	1,500,000	0	(1,500,000)	0
Total Bond Anticipation Note		6,500,000	0	(6,500,000)	0
Sewer Utility Fund					
Sewer Expansion	2.25%	2,000,000	0	(2,000,000)	0
Sewer Expansion	1.50%	0	1,900,000	0	1,900,000
Total Bond Anticipation Note		2,000,000	1,900,000	(2,000,000)	1,900,000
Total Notes Payable		\$8,500,000	\$1,900,000	(\$8,500,000)	\$1,900,000

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

Note 9 – Long-Term Debt

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities						
General Obligation Bonds						
Fire Station	7.00%	\$170,000	\$0	(\$80,000)	\$90,000	\$90,000
2003 Community Arts Center	3.74%	6,025,000	0	(315,000)	5,710,000	320,000
2002 Various Purpose	4.33%	2,725,000	0	(290,000)	2,435,000	300,000
1999 Various Purpose	4.50%	2,740,000	0	(2,740,000)	0	0
2009 Various Purpose	3.56%	0	6,065,000	0	6,065,000	205,000
2009 Various Purpose Refunding		0	2,750,000	(240,000)	2,510,000	245,000
Premium/(Discount) on Refunding		0	35,083	(4,517)	30,566	0
Total General Obligation Bonds		11,660,000	8,850,083	(3,669,517)	16,840,566	1,160,000
Capital Leases		0	378,346	(29,515)	348,831	73,549
Total Long-Term Liabilities		11,660,000	9,228,429	(3,699,032)	17,189,397	1,233,549
Compensated Absences		2,833,771	588,713	(5,461)	3,417,023	61,395
Total Governmental Activities		\$14,493,771	\$9,817,142	(\$3,704,493)	\$20,606,420	\$1,294,944

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities						
<u>Loans</u>						
OWDA Wastewater Improvement	3.79-4.12%	\$7,362,653	\$0	(\$706,824)	\$6,655,829	\$735,644
<u>General Obligation Bonds</u>						
2002 Various Purpose Recreation	4.34%	1,700,000	0	(95,000)	1,605,000	105,000
2009 Various Purpose Refunding	3.15%	0	2,480,000	(280,000)	2,200,000	250,000
Premium on Refunding		0	43,300	(4,811)	38,489	0
Total General Obligation Bonds		1,700,000	2,523,300	(379,811)	3,843,489	355,000
<u>Mortgage Revenue Bonds</u>						
1998 Water Refunding	3.76-5.05%	2,800,000	0	(2,800,000)	0	0
Compensated Absences		542,016	76,565	(14,870)	603,711	69,321
Total Business-Type Activities		<u>\$12,404,669</u>	<u>\$2,599,865</u>	<u>(\$3,901,505)</u>	<u>\$11,103,029</u>	<u>\$1,159,965</u>

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

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

Year Ending December 31	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2010	\$1,515,000	\$782,616	\$735,644	\$261,075
2011	1,500,000	715,731	765,640	231,080
2012	1,545,000	669,342	796,858	199,863
2013	1,595,000	620,990	829,350	167,368
2014	1,640,000	571,163	863,168	133,552
2015-2019	6,950,000	1,977,496	2,665,169	190,412
2020-2024	3,895,000	841,927	0	0
2025-2029	1,975,000	264,500	0	0
Total	<u>\$20,615,000</u>	<u>\$6,443,765</u>	<u>\$6,655,829</u>	<u>\$1,183,350</u>

Note 10 – Defeasance of Bonds

General Obligation Bonds

On June 1, 2009, the City issued \$2,750,000 in general obligation bonds with an average interest rate of 4.56%, which was used to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for all future debt service payments of \$2,740,000 of 1999 various purpose general obligation bonds with an average interest rate of 4.26%. In addition to the bond proceeds, the District received \$45,175 in

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

premiums and \$10,092 in discounts. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. As of December 31, 2009, the escrow agent paid all outstanding bonds.

The City reduced its total debt service payments by \$258,506 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$171,794.

Mortgage Revenue Bonds

On June 1, 2009, the City issued \$2,480,000 in general obligation bonds with an average interest rate of 4.56%, which was used to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for all future debt service payments of \$2,800,000 of 1998 Mortgage Revenue Bonds with an average interest rate of 4.53%. In addition to the bond proceeds, the District received \$43,300 in premiums. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. As of December 31, 2009, the escrow agent paid all outstanding bonds.

The City reduced its total debt service payments by \$704,718 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$623,233.

Special Assessment Bonds

The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 2009 was \$22,080. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

Note 11 – Capital Lease

The City entered into a capital lease for phone equipment for a voicemail system during 2009.

The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. Capital lease payments will be made from the general fund.

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

City of Fairfield, Ohio
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For The Year Ended December 31, 2009

Fiscal Year Ending December 31,	Long-Term Debt
2010	\$90,288
2011	90,288
2012	90,288
2013	90,288
2014	30,096
Total Minimum Lease Payments	391,248
Less: Amount Representing Interest	(42,417)
Present Value of Minimum Lease Payments	<u>\$348,831</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Equipment	\$378,346
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Note 12 – Industrial and Economic Development Revenue Bonds

The City issued \$55,712,748 in industrial and economic development revenue bonds for various projects between the years 1973 through 1990. In February of 2000, the City issued \$6,625,000 in industrial development revenue bonds. As of December 31, 2009 \$2,105,000 was outstanding. The bonds are not a liability nor are the proceeds of the issues assets of the City and, accordingly, they are not reflected on the City's financial records. Debt service on these issues is payable solely from the revenues of the Company and/or individual for whom the debt was issued.

Note 13 – Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of

City of Fairfield, Ohio
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For The Year Ended December 31, 2009

the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2009, 2008 and 2007 were \$1,764,451, \$1,711,802 and \$1,588,970, respectively. The full amount has been contributed for 2007 and 2008 and 93% has been contributed for 2009.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2009, 2008 and 2007 were \$917,143 for police, \$553,840 for fire, \$907,751 for police, \$530,999 for fire and \$786,866 for police and \$596,104 for fire, respectively. The full amount has been contributed for 2007 and 2008 and 78% has been contributed for 2009.

Note 14 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-

City of Fairfield, Ohio
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employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to the health care plan was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's required contributions for the current year, which were used to fund postemployment benefits, were \$183,336 for the period of January 1 through March 31, 2009 and \$550,009 for the period of April 1 through December 31, 2009, \$855,901 for 2008, \$286,818 for the period of January 1 through June 30, 2007 and \$345,490 for the period of July 1 through December 31, 2007. The full amount (actual) has been contributed for 2007 and 2008 and 93% has been contributed for 2009.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Ohio Police and Fire Pension Fund

Plan Description

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

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

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

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

contribution for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's required contributions to OP&F were \$319,345 for police and \$154,485 for fire for the year ending December 31, 2009; \$314,092 for police and \$149,211 for fire for the year ending December 31, 2008; and \$272,756 for police and \$167,505 for fire for the year ending December 31, 2007, respectively, was allocated to the healthcare plan. The actual contributions for 2007 and 2008 were 100% and 78% has been contributed for 2009.

Note 15 – Construction Commitments

The City had the following outstanding commitments at year end:

<u>Project</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
Aquatic Center Spray Park	\$0	\$286,106
Generators Sugarland/Homeward	100,800	173,200
Fair Plaza Demolition & Pond	448,556	136,552
I-275 / Exit 39 Corridor Study	362,305	134,514
Muskopf Pump Station Improvement	0	133,500
Totals	<u>\$911,661</u>	<u>\$863,872</u>

Note 16 – 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, 2009, 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.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 17 – Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Interfund		Transfers	
	Receivable	Payable	In	Out
Major Funds:				
General	\$182,755	\$0	\$0	\$2,543,000
.2% Street Improvement	0	0	0	405,760
Water Utility	0	0	40,720	60,660
Solid Waste Management	0	0	460,000	0
Recreation Facilities	0	0	128,000	0
Internal Service	0	0	150,000	0
Other Governmental Funds	0	182,755	9,330,293	7,099,593
Totals	<u>\$182,755</u>	<u>\$182,755</u>	<u>\$10,109,013</u>	<u>\$10,109,013</u>

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

The City made various GAAP transfers from the Other Governmental Funds (Debt Service Fund) to the Water Utility Fund for debt service transactions.

Note 18 – Joint Venture

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Distribution of Gross Tax:

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

Net Distribution:

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

Note 19 – Accountability

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

Flood Protection	\$182,755
State Issue II	70,099
Employees' Benefits	10,710
Municipal Garage	119,868

Note 20 – Subsequent Events

On June 29, 2010, the City issued \$9.125 million in bonds comprised of a combination of Recovery Zone, Build America and Tax-Exempt bonds for the State Route By-Pass 4 project. This project will add two additional lanes to By-Pass 4 from State Route 4 (Dixie Highway (SR 4)) at the south end, north to 800' north of Port Union Road. The intersection of Symmes Road and By-Pass 4 is being constructed separate of this project by the Butler County Transportation Improvement District.

The intersection of Bypass 4 with Port Union Road will include additional turn lanes on Port Union Road and widening along Port Union Road. The intersection of Bypass 4 with Dixie Highway will be modified by the construction of a diversion road to carry all left turn movements. The project also includes the rehabilitation of the existing bridge over the CSX railroad tracks and the addition of a new structure to carry the additional lanes of traffic over the CSX tracks.

Work included with this project will include earthwork, asphalt pavement, storm sewer, traffic signals, and traffic striping & signing. Right of way acquisition and utility relocations are nearly complete. Construction will begin in July of 2010 and to be completed by summer of 2012.

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, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$19,083,000	\$19,083,000	\$18,070,064	(\$1,012,936)
Fines, Licenses & Permits	1,747,150	1,747,150	1,317,277	(429,873)
Intergovernmental	2,670,250	2,670,250	2,703,708	33,458
Charges for Services	885,700	885,700	967,400	81,700
Special Assessments	15,000	15,000	27,175	12,175
Investment Earnings	550,000	550,000	285,121	(264,879)
Other Revenues	272,500	272,500	254,996	(17,504)
Total Revenues	25,223,600	25,223,600	23,625,741	(1,597,859)
Expenditures:				
Current:				
Mayor & City Council	307,745	335,745	332,046	3,699
Administration	516,554	516,554	496,031	20,523
General Services	2,889,394	3,576,229	3,064,166	512,063
Law	514,550	514,550	514,492	58
Human Resources	271,793	270,030	217,305	52,725
Planning & Economic Development	621,580	618,940	571,993	46,947
Building & Zoning Inspection	962,844	962,844	864,180	98,664
Finance Administration & Accounting	599,015	599,015	585,570	13,445
Income Tax	611,772	603,615	597,630	5,985
Information Technology	559,060	549,305	523,817	25,488
Police & Justice Center	10,482,933	10,682,200	9,779,167	903,033
Municipal Court	1,680,202	1,678,951	1,624,511	54,440
Public Works Administration	188,568	188,553	160,094	28,459
Construction Services	744,737	744,390	614,251	130,139
Municipal Building	310,843	310,843	254,720	56,123
Parks & Recreation	2,836,915	2,836,614	2,705,731	130,883
Capital Outlay	518,652	1,532,662	1,441,868	90,794
Total Expenditures	24,617,157	26,521,040	24,347,572	2,173,468
Excess of Revenues Over (Under) Expenditures	606,443	(1,297,440)	(721,831)	575,609
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	12,000	12,000	336	(11,664)
Transfers (Out)	(1,750,000)	(3,140,000)	(2,543,000)	597,000
Total Other Financing Sources (Uses)	(1,738,000)	(3,128,000)	(2,542,664)	585,336
Net Change in Fund Balance	(1,131,557)	(4,425,440)	(3,264,495)	1,160,945
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,786,078	12,786,078	12,786,078	0
Fund Balance End of Year	\$11,654,521	\$8,360,638	\$9,521,583	\$1,160,945

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, 2009

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$4,050,000	\$4,050,000	\$3,885,377	(\$164,623)
Fines, Licenses & Permits	7,500	7,500	5,425	(2,075)
Intergovernmental	476,500	476,500	397,457	(79,043)
Charges for Services	1,050,000	1,050,000	1,194,339	144,339
Investment Earnings	5,000	5,000	371	(4,629)
Other Revenues	5,600	5,600	3,587	(2,013)
Total Revenues	<u>5,594,600</u>	<u>5,594,600</u>	<u>5,486,556</u>	<u>(108,044)</u>
Expenditures:				
Current:				
Public Safety	5,623,123	5,589,724	5,525,477	64,247
Capital Outlay	16,000	33,741	29,266	4,475
Total Expenditures	<u>5,639,123</u>	<u>5,623,465</u>	<u>5,554,743</u>	<u>68,722</u>
Excess of Revenues Over (Under) Expenditures	<u>(44,523)</u>	<u>(28,865)</u>	<u>(68,187)</u>	<u>(39,322)</u>
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	500	500	0	(500)
Total Other Financing Sources (Uses)	<u>500</u>	<u>500</u>	<u>0</u>	<u>(500)</u>
Net Change in Fund Balance	(44,023)	(28,365)	(68,187)	(39,822)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>672,866</u>	<u>672,866</u>	<u>672,866</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$628,843</u></u>	<u><u>\$644,501</u></u>	<u><u>\$604,679</u></u>	<u><u>(\$39,822)</u></u>

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2009

Note 1 – Budgetary Process

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

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

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

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

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

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2009

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and fire levy fund.

Net Change in Fund Balance

	General	Fire Levy
GAAP Basis	(\$2,538,379)	(\$35,846)
Revenue Accruals	711,550	6,825
Expenditure Accruals	(438,890)	3,944
Issuance of Capital Lease	(378,346)	0
Encumbrances	(620,430)	(43,110)
Budget Basis	<u>(\$3,264,495)</u>	<u>(\$68,187)</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

City of Fairfield, Ohio

Fund Descriptions

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.

Debt Service Funds

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

General Bond Retirement - To accumulate monies for the payment of long-term and short-term debt issued without a vote of the people. Transfers from the .2% Capital Improvements and .3% Street Improvement Funds support this fund.

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

Capital Projects Funds

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

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

Flood Protection - To account for the construction of a flood protection project, which provides protection from stormwater runoff. Financing is derived from grants from the federal government, the state government and the issuance of notes.

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

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

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City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,332,074	\$1,453,973	\$2,784,656	\$8,570,703
Receivables:				
Taxes	0	0	623,698	623,698
Interest	0	0	2,801	2,801
Intergovernmental	965,062	0	191,326	1,156,388
Total Assets	5,297,136	1,453,973	3,602,481	10,353,590
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	37,343	0	156,419	193,762
Accrued Wages and Benefits	119,432	0	0	119,432
Interfund Payable	0	0	182,755	182,755
Deferred Revenue	777,030	0	539,629	1,316,659
Total Liabilities	933,805	0	878,803	1,812,608
Fund Balances:				
Reserved for Encumbrances	148,943	0	980,115	1,129,058
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,214,388	0	0	4,214,388
Debt Service Funds	0	1,453,973	0	1,453,973
Capital Projects Funds	0	0	1,743,563	1,743,563
Total Fund Balances	4,363,331	1,453,973	2,723,678	8,540,982
Total Liabilities and Fund Balances	\$5,297,136	\$1,453,973	\$3,602,481	\$10,353,590

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation
Assets:				
Equity in Pooled Cash and Investments	\$10,803	\$75,054	\$265,373	\$245,594
Receivables:				
Intergovernmental	738,860	59,907	0	0
Total Assets	<u>749,663</u>	<u>134,961</u>	<u>265,373</u>	<u>245,594</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	27,064	0	6,069	0
Accrued Wages and Benefits	75,838	11,051	0	0
Deferred Revenue	592,929	48,075	0	0
Total Liabilities	<u>695,831</u>	<u>59,126</u>	<u>6,069</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	143,159	0	4,284	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>(89,327)</u>	<u>75,835</u>	<u>255,020</u>	<u>245,594</u>
Total Fund Balances	<u>53,832</u>	<u>75,835</u>	<u>259,304</u>	<u>245,594</u>
Total Liabilities and Fund Balances	<u>\$749,663</u>	<u>\$134,961</u>	<u>\$265,373</u>	<u>\$245,594</u>

<u>Law Enforcement</u>	<u>Municipal Motor Vehicle Registration</u>	<u>Law Enforcement and Education</u>	<u>Drug and Alcohol Treatment</u>	<u>Local Law Enforcement</u>	<u>Probation Services</u>	<u>Court Computer</u>
\$104,053	\$2,320	\$92,599	\$141,204	\$99,759	\$1,831,257	\$674,012
0	161,113	0	0	0	5,182	0
<u>104,053</u>	<u>163,433</u>	<u>92,599</u>	<u>141,204</u>	<u>99,759</u>	<u>1,836,439</u>	<u>674,012</u>
0	0	0	2,600	0	1,460	0
0	18,584	0	0	0	13,959	0
0	134,102	0	0	0	1,924	0
0	152,686	0	2,600	0	17,343	0
0	0	0	0	0	0	1,500
<u>104,053</u>	<u>10,747</u>	<u>92,599</u>	<u>138,604</u>	<u>99,759</u>	<u>1,819,096</u>	<u>672,512</u>
<u>104,053</u>	<u>10,747</u>	<u>92,599</u>	<u>138,604</u>	<u>99,759</u>	<u>1,819,096</u>	<u>674,012</u>
<u>\$104,053</u>	<u>\$163,433</u>	<u>\$92,599</u>	<u>\$141,204</u>	<u>\$99,759</u>	<u>\$1,836,439</u>	<u>\$674,012</u>

Continued

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Special Projects	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock
Assets:				
Equity in Pooled Cash and Investments	\$487,222	\$278,715	\$2,137	\$21,972
Receivables:				
Intergovernmental	0	0	0	0
Total Assets	<u>487,222</u>	<u>278,715</u>	<u>2,137</u>	<u>21,972</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	150	0	0	0
Accrued Wages and Benefits	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>487,072</u>	<u>278,715</u>	<u>2,137</u>	<u>21,972</u>
Total Fund Balances	<u>487,072</u>	<u>278,715</u>	<u>2,137</u>	<u>21,972</u>
Total Liabilities and Fund Balances	<u>\$487,222</u>	<u>\$278,715</u>	<u>\$2,137</u>	<u>\$21,972</u>

Total
Nonmajor
Special Revenue
Funds

\$4,332,074

965,062

5,297,136

37,343
119,432
777,030

933,805

148,943

4,214,388

4,363,331

\$5,297,136

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City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$33,012	\$1,420,961	\$1,453,973
Total Assets	<u>33,012</u>	<u>1,420,961</u>	<u>1,453,973</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Unreserved, Undesignated, Reported in: Debt Service Funds	33,012	1,420,961	1,453,973
Total Fund Balances	<u>33,012</u>	<u>1,420,961</u>	<u>1,453,973</u>
Total Liabilities and Fund Balances	<u>\$33,012</u>	<u>\$1,420,961</u>	<u>\$1,453,973</u>

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	<u>.2% Capital Improvement</u>	<u>Flood Protection</u>	<u>State Issue II</u>	<u>Downtown Development</u>
Assets:				
Equity in Pooled Cash and Investments	\$2,571,408	\$0	\$0	\$213,248
Receivables:				
Taxes	623,698	0	0	0
Interest	2,801	0	0	0
Intergovernmental	0	121,227	70,099	0
Total Assets	<u>3,197,907</u>	<u>121,227</u>	<u>70,099</u>	<u>213,248</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	86,320	0	70,099	0
Interfund Payable	0	182,755	0	0
Deferred Revenue	348,303	121,227	70,099	0
Total Liabilities	<u>434,623</u>	<u>303,982</u>	<u>140,198</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	870,642	100,722	8,751	0
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>1,892,642</u>	<u>(283,477)</u>	<u>(78,850)</u>	<u>213,248</u>
Total Fund Balances	<u>2,763,284</u>	<u>(182,755)</u>	<u>(70,099)</u>	<u>213,248</u>
Total Liabilities and Fund Balances	<u>\$3,197,907</u>	<u>\$121,227</u>	<u>\$70,099</u>	<u>\$213,248</u>

Total
Nonmajor
Capital Projects
Funds

\$2,784,656

623,698

2,801

191,326

3,602,481

156,419

182,755

539,629

878,803

980,115

1,743,563

2,723,678

\$3,602,481

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City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$0	\$2,860,587	\$2,860,587
Fines, Licenses & Permits	813,299	0	0	813,299
Investment Earnings	6,285	14,134	60,667	81,086
Intergovernmental	2,527,150	0	653,682	3,180,832
Other Revenues	24,873	0	379,105	403,978
Total Revenues	3,371,607	14,134	3,954,041	7,339,782
Expenditures:				
Current:				
General Government	307,858	9,655	50,000	367,513
Public Safety	27,644	0	0	27,644
Transportation and Street Repair	3,207,987	0	974,645	4,182,632
Capital Outlay	327,151	0	3,098,129	3,425,280
Debt Service:				
Principal Retirement	0	925,000	0	925,000
Interest and Fiscal Charges	0	394,041	171,483	565,524
Bond Issuance Cost	0	24,241	49,900	74,141
Total Expenditures	3,870,640	1,352,937	4,344,157	9,567,734
Excess of Revenues Over (Under) Expenditures	(499,033)	(1,338,803)	(390,116)	(2,227,952)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	10	10
Issuance of Long-Term Capital-Related Debt	0	0	6,065,000	6,065,000
Payments to Refunded Bond Escrow Agent	0	(2,829,535)	0	(2,829,535)
Sale of Refunding Bonds	0	2,750,000	0	2,750,000
Premium/(Discount) on Sale of Refunded Bonds	0	45,175	(10,092)	35,083
Transfers In	1,000,000	2,232,469	6,097,824	9,330,293
Transfers (Out)	0	(933,544)	(6,166,049)	(7,099,593)
Total Other Financing Sources (Uses)	1,000,000	1,264,565	5,986,693	8,251,258
Net Change in Fund Balance	500,967	(74,238)	5,596,577	6,023,306
Fund Balance (Deficit) Beginning of Year	3,862,364	1,528,211	(2,872,899)	2,517,676
Fund Balance (Deficit) End of Year	\$4,363,331	\$1,453,973	\$2,723,678	\$8,540,982

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, 2009

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation
Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$0	\$2,135
Investment Earnings	0	0	415	692
Intergovernmental	1,830,437	148,413	94,306	0
Other Revenues	24,873	0	0	0
Total Revenues	1,855,310	148,413	94,721	2,827
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Transportation and Street Repair	2,801,904	149,608	0	0
Capital Outlay	22,453	0	271,745	0
Total Expenditures	2,824,357	149,608	271,745	0
Excess of Revenues Over (Under) Expenditures	(969,047)	(1,195)	(177,024)	2,827
Other Financing Sources (Uses):				
Transfers In	1,000,000	0	0	0
Total Other Financing Sources (Uses)	1,000,000	0	0	0
Net Change in Fund Balance	30,953	(1,195)	(177,024)	2,827
Fund Balance (Deficit) Beginning of Year	22,879	77,030	436,328	242,767
Fund Balance (Deficit) End of Year	\$53,832	\$75,835	\$259,304	\$245,594

Law Enforcement	Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer
\$59,881	\$0	\$7,974	\$18,111	\$0	\$480,320	\$108,993
0	0	277	277	0	2,824	969
0	317,077	0	577	96,410	39,930	0
0	0	0	0	0	0	0
59,881	317,077	8,251	18,965	96,410	523,074	109,962
0	0	0	25,244	0	238,979	39,631
1,549	0	2,000	0	24,095	0	0
0	256,475	0	0	0	0	0
0	0	0	0	0	15,000	17,953
1,549	256,475	2,000	25,244	24,095	253,979	57,584
58,332	60,602	6,251	(6,279)	72,315	269,095	52,378
0	0	0	0	0	0	0
0	0	0	0	0	0	0
58,332	60,602	6,251	(6,279)	72,315	269,095	52,378
45,721	(49,855)	86,348	144,883	27,444	1,550,001	621,634
\$104,053	\$10,747	\$92,599	\$138,604	\$99,759	\$1,819,096	\$674,012

Continued

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2009

	Special Projects	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock
Revenues:				
Fines, Licenses & Permits	\$64,193	\$56,385	\$0	\$15,307
Investment Earnings	554	277	0	0
Intergovernmental	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	64,747	56,662	0	15,307
Expenditures:				
Current:				
General Government	2,606	1,398	0	0
Public Safety	0	0	0	0
Transportation and Street Repair	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	2,606	1,398	0	0
Excess of Revenues Over (Under) Expenditures	62,141	55,264	0	15,307
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	62,141	55,264	0	15,307
Fund Balance (Deficit) Beginning of Year	424,931	223,451	2,137	6,665
Fund Balance (Deficit) End of Year	<u>\$487,072</u>	<u>\$278,715</u>	<u>\$2,137</u>	<u>\$21,972</u>

<u> <u>Total</u> Nonmajor Special Revenue Funds </u>
\$813,299 6,285 2,527,150 <u>24,873</u>
<u>3,371,607</u>
 307,858 27,644 3,207,987 <u>327,151</u>
<u>3,870,640</u>
<u>(499,033)</u>
 <u>1,000,000</u>
<u>1,000,000</u>
500,967
<u>3,862,364</u>
<u> <u>\$4,363,331</u> </u>

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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, 2009

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$14,134	\$14,134
Total Revenues	0	14,134	14,134
Expenditures:			
Current:			
General Government	7,741	1,914	9,655
Debt Service:			
Principal Retirement	925,000	0	925,000
Interest and Fiscal Charges	392,311	1,730	394,041
Bond Issuance Cost	24,241	0	24,241
Total Expenditures	1,349,293	3,644	1,352,937
Excess of Revenues Over (Under) Expenditures	(1,349,293)	10,490	(1,338,803)
Other Financing Sources (Uses):			
Payments to Refunded Bond Escrow Agent	(2,829,535)	0	(2,829,535)
Sale of Refunding Bonds	2,750,000	0	2,750,000
Premium/(Discount) on Sale of Refunded Bonds	45,175	0	45,175
Transfers In	2,232,469	0	2,232,469
Transfers (Out)	(933,544)	0	(933,544)
Total Other Financing Sources (Uses)	1,264,565	0	1,264,565
Net Change in Fund Balance	(84,728)	10,490	(74,238)
Fund Balance (Deficit) Beginning of Year	117,740	1,410,471	1,528,211
Fund Balance (Deficit) End of Year	\$33,012	\$1,420,961	\$1,453,973

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, 2009

	.2% Capital Improvement	Flood Protection	State Issue II	Downtown Development
Revenues:				
Taxes	\$2,860,587	\$0	\$0	\$0
Investment Earnings	60,667	0	0	0
Intergovernmental	81,260	121,619	450,803	0
Other Revenues	377,267	1,838	0	0
Total Revenues	3,379,781	123,457	450,803	0
Expenditures:				
Current:				
General Government	50,000	0	0	0
Transportation and Street Repair	675,496	0	266,804	32,345
Capital Outlay	2,701,982	169,759	177,870	48,518
Debt Service:				
Interest and Fiscal Charges	26,136	0	0	145,347
Bond Issuance Cost	49,900	0	0	0
Total Expenditures	3,503,514	169,759	444,674	226,210
Excess of Revenues Over (Under) Expenditures	(123,733)	(46,302)	6,129	(226,210)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10	0	0	0
Issuance of Long-Term Capital-Related Debt	6,065,000	0	0	0
Premium/(Discount) on Sale of Refunded Bonds	(10,092)	0	0	0
Transfers In	622,824	300,000	0	5,175,000
Transfers (Out)	(6,166,049)	0	0	0
Total Other Financing Sources (Uses)	511,693	300,000	0	5,175,000
Net Change in Fund Balance	387,960	253,698	6,129	4,948,790
Fund Balance (Deficit) Beginning of Year	2,375,324	(436,453)	(76,228)	(4,735,542)
Fund Balance (Deficit) End of Year	\$2,763,284	(\$182,755)	(\$70,099)	\$213,248

<u>Total</u> <u>Nonmajor</u> <u>Capital Projects</u> <u>Funds</u>
\$2,860,587
60,667
653,682
379,105
<u>3,954,041</u>
50,000
974,645
3,098,129
171,483
49,900
<u>4,344,157</u>
<u>(390,116)</u>
10
6,065,000
(10,092)
6,097,824
<u>(6,166,049)</u>
<u>5,986,693</u>
5,596,577
<u>(2,872,899)</u>
<u><u>\$2,723,678</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,850,000	\$1,850,000	\$1,803,631	(\$46,369)
Other Revenues	5,000	5,000	24,873	19,873
Total Revenues	<u>1,855,000</u>	<u>1,855,000</u>	<u>1,828,504</u>	<u>(26,496)</u>
Expenditures:				
Current:				
Transportation and Street Repair	3,180,435	3,627,082	2,978,630	648,452
Capital Outlay	4,000	29,527	26,703	2,824
Total Expenditures	<u>3,184,435</u>	<u>3,656,609</u>	<u>3,005,333</u>	<u>651,276</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,329,435)</u>	<u>(1,801,609)</u>	<u>(1,176,829)</u>	<u>624,780</u>
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers In	850,000	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	<u>851,000</u>	<u>1,001,000</u>	<u>1,000,000</u>	<u>(1,000)</u>
Net Change in Fund Balance	(478,435)	(800,609)	(176,829)	623,780
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>17,407</u>	<u>17,407</u>	<u>17,407</u>	<u>0</u>
Fund Balance End of Year	<u>(\$461,028)</u>	<u>(\$783,202)</u>	<u>(\$159,422)</u>	<u>\$623,780</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, 2009

	State Highway Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$160,000	\$160,000	\$146,240	(\$13,760)
Total Revenues	160,000	160,000	146,240	(13,760)
Expenditures:				
Current:				
Transportation and Street Repair	151,720	151,720	147,560	4,160
Total Expenditures	151,720	151,720	147,560	4,160
Net Change in Fund Balance	8,280	8,280	(1,320)	(9,600)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	76,374	76,374	76,374	0
Fund Balance End of Year	<u>\$84,654</u>	<u>\$84,654</u>	<u>\$75,054</u>	<u>(\$9,600)</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, 2009

	County Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$35,000	\$94,306	\$94,306	\$0
Investment Earnings	4,000	4,000	415	(3,585)
Total Revenues	<u>39,000</u>	<u>98,306</u>	<u>94,721</u>	<u>(3,585)</u>
Expenditures:				
Current:				
Transportation and Street Repair	1,000	24,045	20,950	3,095
Capital Outlay	<u>282,395</u>	<u>353,404</u>	<u>303,385</u>	<u>50,019</u>
Total Expenditures	<u>283,395</u>	<u>377,449</u>	<u>324,335</u>	<u>53,114</u>
Net Change in Fund Balance	(244,395)	(279,143)	(229,614)	49,529
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>484,634</u>	<u>484,634</u>	<u>484,634</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$240,239</u></u>	<u><u>\$205,491</u></u>	<u><u>\$255,020</u></u>	<u><u>\$49,529</u></u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Tax Recreation Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$2,500	\$2,500	\$2,135	(\$365)
Investment Earnings	10,000	10,000	692	(9,308)
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>2,827</u>	<u>(9,673)</u>
Expenditures:				
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	12,500	12,500	2,827	(9,673)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>242,767</u>	<u>242,767</u>	<u>242,767</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$255,267</u></u>	<u><u>\$255,267</u></u>	<u><u>\$245,594</u></u>	<u><u>(\$9,673)</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$10,000	\$10,000	\$59,881	\$49,881
Investment Earnings	250	250	0	(250)
Total Revenues	<u>10,250</u>	<u>10,250</u>	<u>59,881</u>	<u>49,631</u>
Expenditures:				
Current:				
Public Safety	6,830	6,550	1,550	5,000
Total Expenditures	<u>6,830</u>	<u>6,550</u>	<u>1,550</u>	<u>5,000</u>
Net Change in Fund Balance	3,420	3,700	58,331	54,631
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>45,722</u>	<u>45,722</u>	<u>45,722</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$49,142</u></u>	<u><u>\$49,422</u></u>	<u><u>\$104,053</u></u>	<u><u>\$54,631</u></u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Municipal Motor Vehicle Registration Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$375,000	\$375,000	\$318,501	(\$56,499)
Total Revenues	375,000	375,000	318,501	(56,499)
Expenditures:				
Current:				
Transportation and Street Repair	409,668	409,668	261,761	147,907
Total Expenditures	409,668	409,668	261,761	147,907
Net Change in Fund Balance	(34,668)	(34,668)	56,740	91,408
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(54,419)	(54,419)	(54,419)	0
Fund Balance End of Year	(\$89,087)	(\$89,087)	\$2,321	\$91,408

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, 2009

	Law Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$43,000	\$43,000	\$7,973	(\$35,027)
Investment Earnings	2,500	2,500	277	(2,223)
Total Revenues	<u>45,500</u>	<u>45,500</u>	<u>8,250</u>	<u>(37,250)</u>
Expenditures:				
Current:				
Public Safety	7,000	7,000	2,000	5,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>2,000</u>	<u>5,000</u>
Net Change in Fund Balance	38,500	38,500	6,250	(32,250)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>86,348</u>	<u>86,348</u>	<u>86,348</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$124,848</u></u>	<u><u>\$124,848</u></u>	<u><u>\$92,598</u></u>	<u><u>(\$32,250)</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Drug and Alcohol Treatment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$576	\$576
Fines, Licenses & Permits	21,000	21,000	18,111	(2,889)
Investment Earnings	3,750	3,750	277	(3,473)
Total Revenues	24,750	24,750	18,964	(5,786)
Expenditures:				
Current:				
General Government	50,000	50,000	22,643	27,357
Total Expenditures	50,000	50,000	22,643	27,357
Net Change in Fund Balance	(25,250)	(25,250)	(3,679)	21,571
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	144,883	144,883	144,883	0
Fund Balance End of Year	\$119,633	\$119,633	\$141,204	\$21,571

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Local Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$96,410	\$96,410
Total Revenues	0	0	96,410	96,410
Expenditures:				
Current:				
Public Safety	41,996	41,996	31,699	10,297
Total Expenditures	41,996	41,996	31,699	10,297
Net Change in Fund Balance	(41,996)	(41,996)	64,711	106,707
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,048	35,048	35,048	0
Fund Balance End of Year	(\$6,948)	(\$6,948)	\$99,759	\$106,707

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, 2009

	Probation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$57,000	\$57,000	\$36,672	(\$20,328)
Fines, Licenses & Permits	550,000	550,000	480,320	(69,680)
Investment Earnings	24,000	24,000	2,824	(21,176)
Total Revenues	<u>631,000</u>	<u>631,000</u>	<u>519,816</u>	<u>(111,184)</u>
Expenditures:				
Current:				
General Government	307,962	311,610	241,057	70,553
Capital Outlay	<u>0</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Expenditures	<u>307,962</u>	<u>326,610</u>	<u>256,057</u>	<u>70,553</u>
Net Change in Fund Balance	323,038	304,390	263,759	(40,631)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,566,206</u>	<u>1,566,206</u>	<u>1,566,206</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,889,244</u></u>	<u><u>\$1,870,596</u></u>	<u><u>\$1,829,965</u></u>	<u><u>(\$40,631)</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Court Computer Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$125,000	\$125,000	\$108,993	(\$16,007)
Investment Earnings	10,000	10,000	969	(9,031)
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>109,962</u>	<u>(25,038)</u>
Expenditures:				
Current:				
General Government	35,000	45,000	39,632	5,368
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>19,453</u>	<u>547</u>
Total Expenditures	<u>55,000</u>	<u>65,000</u>	<u>59,085</u>	<u>5,915</u>
Net Change in Fund Balance	80,000	70,000	50,877	(19,123)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>621,635</u>	<u>621,635</u>	<u>621,635</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$701,635</u></u>	<u><u>\$691,635</u></u>	<u><u>\$672,512</u></u>	<u><u>(\$19,123)</u></u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Special Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$65,000	\$65,000	\$64,193	(\$807)
Investment Earnings	6,000	6,000	554	(5,446)
Total Revenues	<u>71,000</u>	<u>71,000</u>	<u>64,747</u>	<u>(6,253)</u>
Expenditures:				
Current:				
General Government	80,980	80,980	2,457	78,523
Total Expenditures	<u>80,980</u>	<u>80,980</u>	<u>2,457</u>	<u>78,523</u>
Net Change in Fund Balance	(9,980)	(9,980)	62,290	72,270
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>424,932</u>	<u>424,932</u>	<u>424,932</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$414,952</u></u>	<u><u>\$414,952</u></u>	<u><u>\$487,222</u></u>	<u><u>\$72,270</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Mediation Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$61,000	\$61,000	\$56,385	(\$4,615)
Investment Earnings	3,000	3,000	277	(2,723)
Total Revenues	<u>64,000</u>	<u>64,000</u>	<u>56,662</u>	<u>(7,338)</u>
Expenditures:				
Current:				
General Government	8,000	8,000	1,397	6,603
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>1,397</u>	<u>6,603</u>
Net Change in Fund Balance	56,000	56,000	55,265	(735)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>223,450</u>	<u>223,450</u>	<u>223,450</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$279,450</u></u>	<u><u>\$279,450</u></u>	<u><u>\$278,715</u></u>	<u><u>(\$735)</u></u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2009

	Tax Increment Equivalent Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$86,000	\$86,000	\$0	(\$86,000)
Total Revenues	86,000	86,000	0	(86,000)
Expenditures:				
Debt Service:				
Principal Retirement	85,000	85,000	0	85,000
Interest and Fiscal Charges	15,000	15,000	0	15,000
Total Expenditures	100,000	100,000	0	100,000
Net Change in Fund Balance	(14,000)	(14,000)	0	14,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,137	2,137	2,137	0
Fund Balance End of Year	(\$11,863)	(\$11,863)	\$2,137	\$14,000

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	Indigent Driver Interlock Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$10,000	\$10,000	\$15,307	\$5,307
Total Revenues	10,000	10,000	15,307	5,307
Expenditures:				
Current:				
General Government	5,000	5,000	0	5,000
Total Expenditures	5,000	5,000	0	5,000
Net Change in Fund Balance	5,000	5,000	15,307	10,307
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,665	6,665	6,665	0
Fund Balance End of Year	<u>\$11,665</u>	<u>\$11,665</u>	<u>\$21,972</u>	<u>\$10,307</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, 2009

	General Bond Retirement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$15,500	\$15,500	\$0	(\$15,500)
Other Revenues	0	0	140,047	140,047
Total Revenues	15,500	15,500	140,047	124,547
Expenditures:				
Current:				
General Government	10,000	10,030	7,739	2,291
Debt Service:				
Principal Retirement	2,500,000	2,404,370	1,520,000	884,370
Interest and Fiscal Charges	728,678	824,278	771,480	52,798
Total Expenditures	3,238,678	3,238,678	2,299,219	939,459
Excess of Revenues Over (Under) Expenditures	(3,223,178)	(3,223,178)	(2,159,172)	1,064,006
Other Financing Sources (uses):				
Transfers In	3,200,000	3,200,000	2,074,446	(1,125,554)
Total Other Financing Sources (Uses)	3,200,000	3,200,000	2,074,446	(1,125,554)
Net Change in Fund Balance	(23,178)	(23,178)	(84,726)	(61,548)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	117,738	117,738	117,738	0
Fund Balance End of Year	\$94,560	\$94,560	\$33,012	(\$61,548)

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, 2009

	Special Assessment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Special Assessments	\$25,000	\$25,000	\$10,226	(\$14,774)
Investment Earnings	50,000	50,000	16,766	(33,234)
Total Revenues	75,000	75,000	26,992	(48,008)
Expenditures:				
Current:				
General Government	10,000	10,000	1,910	8,090
Debt Service:				
Principal Retirement	266,000	266,000	12,858	253,142
Interest and Fiscal Charges	7,500	7,500	1,730	5,770
Total Expenditures	283,500	283,500	16,498	267,002
Net Change in Fund Balance	(208,500)	(208,500)	10,494	218,994
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,410,467	1,410,467	1,410,467	0
Fund Balance End of Year	\$1,201,967	\$1,201,967	\$1,420,961	\$218,994

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, 2009

	.2% Street Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,212,727	\$3,212,727	\$2,968,209	(\$244,518)
Intergovernmental	50,000	50,000	178,173	128,173
Investment Earnings	340,000	340,000	224,045	(115,955)
Other Revenues	0	0	0	0
Total Revenues	3,602,727	3,602,727	3,370,427	(232,300)
Expenditures:				
Current:				
Transportation and Street Repair	100,000	111,500	111,473	27
Capital Outlay	2,055,511	6,192,363	6,000,868	191,495
Total Expenditures	2,155,511	6,303,863	6,112,341	191,522
Excess of Revenues Over (Under) Expenditures	1,447,216	(2,701,136)	(2,741,914)	(40,778)
Other Financing Sources (uses):				
Transfers (Out)	(406,000)	(406,000)	(405,760)	240
Total Other Financing Sources (Uses)	(406,000)	(406,000)	(405,760)	240
Net Change in Fund Balance	1,041,216	(3,107,136)	(3,147,674)	(40,538)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,612,223	6,612,223	6,612,223	0
Fund Balance End of Year	\$7,653,439	\$3,505,087	\$3,464,549	(\$40,538)

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, 2009

	.2% Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$3,212,727	\$3,212,727	\$2,968,209	(\$244,518)
Intergovernmental	0	0	81,260	81,260
Investment Earnings	185,000	185,000	90,139	(94,861)
Other Revenues	1,000	1,000	377,267	376,267
Total Revenues	3,398,727	3,398,727	3,516,875	118,148
Expenditures:				
Current:				
General Government	100,000	161,500	161,475	25
Capital Outlay	1,772,422	4,656,208	4,418,133	238,075
Total Expenditures	1,872,422	4,817,708	4,579,608	238,100
Excess of Revenues Over (Under) Expenditures	1,526,305	(1,418,981)	(1,062,733)	356,248
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	10	(9,990)
Transfers (Out)	(1,050,000)	(1,069,000)	(1,068,686)	314
Total Other Financing Sources (Uses)	(1,040,000)	(1,059,000)	(1,068,676)	(9,676)
Net Change in Fund Balance	486,305	(2,477,981)	(2,131,409)	346,572
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,745,855	3,745,855	3,745,855	0
Fund Balance End of Year	\$4,232,160	\$1,267,874	\$1,614,446	\$346,572

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, 2009

	Flood Protection Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$100,000	\$100,000	\$121,619	\$21,619
Investment Earnings	1,500	1,500	0	(1,500)
Other Revenues	1,000	1,000	1,838	838
Total Revenues	<u>102,500</u>	<u>102,500</u>	<u>123,457</u>	<u>20,957</u>
Expenditures:				
Capital Outlay	574,223	870,756	270,756	600,000
Total Expenditures	<u>574,223</u>	<u>870,756</u>	<u>270,756</u>	<u>600,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(471,723)</u>	<u>(768,256)</u>	<u>(147,299)</u>	<u>620,957</u>
Other Financing Sources (uses):				
Transfers In	0	300,000	300,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	(471,723)	(468,256)	152,701	620,957
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(436,177)</u>	<u>(436,177)</u>	<u>(436,177)</u>	<u>0</u>
Fund Balance End of Year	<u><u>(\$907,900)</u></u>	<u><u>(\$904,433)</u></u>	<u><u>(\$283,476)</u></u>	<u><u>\$620,957</u></u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2009

	State Issue II Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$500,000	\$500,000	\$450,803	(\$49,197)
Total Revenues	500,000	500,000	450,803	(49,197)
Expenditures:				
Capital Outlay	240,629	579,652	529,653	49,999
Total Expenditures	240,629	579,652	529,653	49,999
Net Change in Fund Balance	259,371	(79,652)	(78,850)	802
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$259,371	(\$79,652)	(\$78,850)	\$802

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, 2009

	Downtown Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$15,000	\$15,000	\$0	(\$15,000)
Total Revenues	15,000	15,000	0	(15,000)
Expenditures:				
Capital Outlay	407,531	487,010	80,865	406,145
Total Expenditures	407,531	487,010	80,865	406,145
Net Change in Fund Balance	(392,531)	(472,010)	(80,865)	391,145
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	294,113	294,113	294,113	0
Fund Balance End of Year	(\$98,418)	(\$177,897)	\$213,248	\$391,145

City of Fairfield, Ohio
Fund Descriptions

Internal Service Funds

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

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

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

Fiduciary Funds

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

Agency Funds

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

Warranty Bonds Fund - To account for warranty bonds collected.

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

City of Fairfield, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2009

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$2,762	\$4,098	\$6,860
Total Current Assets	2,762	4,098	6,860
Liabilities:			
Accounts Payable	530	13,947	14,477
Accrued Wages and Benefits	0	29,550	29,550
Claims Payable	12,942	0	12,942
Total Current Liabilities	13,472	43,497	56,969
Long-Term Liabilities:			
Compensated Absences	0	80,469	80,469
Total Long-Term Liabilities	0	80,469	80,469
Total Liabilities	13,472	123,966	137,438
Net Assets:			
Unrestricted	(10,710)	(119,868)	(130,578)
Total Net Assets	(\$10,710)	(\$119,868)	(\$130,578)

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended December 31, 2009

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$3,387,230	\$694,229	\$4,081,459
Other Revenues	0	518	518
Total Operating Revenues	3,387,230	694,747	4,081,977
Operating Expenses:			
Personal Services	0	487,758	487,758
Contractual Services	3,491,742	8,015	3,499,757
Materials and Supplies	63	377,326	377,389
Total Operating Expenses	3,491,805	873,099	4,364,904
Operating Income (Loss)	(104,575)	(178,352)	(282,927)
Non-Operating Revenues (Expenses):			
Investment Earnings	147	0	147
Total Non-Operating Revenues (Expenses)	147	0	147
Income (Loss) Before Transfers	(104,428)	(178,352)	(282,780)
Transfers In	0	150,000	150,000
Change in Net Assets	(104,428)	(28,352)	(132,780)
Net Assets Beginning of Year	93,718	(91,516)	2,202
Net Assets End of Year	(\$10,710)	(\$119,868)	(\$130,578)

City of Fairfield, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2009

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,387,230	\$694,747	\$4,081,977
Cash Payments to Employees	0	(481,941)	(481,941)
Cash Payments to Suppliers	(3,501,177)	(377,814)	(3,878,991)
Net Cash Provided (Used) by Operating Activities	<u>(113,947)</u>	<u>(165,008)</u>	<u>(278,955)</u>
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	150,000	150,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>150,000</u>	<u>150,000</u>
Cash Flows from Investing Activities:			
Earnings on Investments	147	0	147
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>147</u>	<u>0</u>	<u>147</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(113,800)	(15,008)	(128,808)
Cash and Cash Equivalents Beginning of Year	116,562	19,106	135,668
Cash and Cash Equivalents End of Year	<u>2,762</u>	<u>4,098</u>	<u>6,860</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(104,575)	(178,352)	(282,927)
Changes in Assets & Liabilities:			
Increase (Decrease) in Payables	(9,372)	7,527	(1,845)
Increase (Decrease) in Accrued Liabilities	0	5,817	5,817
Net Cash Provided (Used) by Operating Activities	<u>(\$113,947)</u>	<u>(\$165,008)</u>	<u>(\$278,955)</u>

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2009

	Municipal Court			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$134,913	\$977,886	\$990,031	\$122,768
Total Assets	<u>134,913</u>	<u>977,886</u>	<u>990,031</u>	<u>122,768</u>
Liabilities:				
Other Liabilities	134,913	977,886	990,031	122,768
Total Liabilities	<u>\$134,913</u>	<u>\$977,886</u>	<u>\$990,031</u>	<u>\$122,768</u>
	Warranty Bonds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$10,924	\$12	\$32	\$10,904
Total Assets	<u>10,924</u>	<u>12</u>	<u>32</u>	<u>10,904</u>
Liabilities:				
Other Liabilities	10,924	12	32	10,904
Total Liabilities	<u>\$10,924</u>	<u>\$12</u>	<u>\$32</u>	<u>\$10,904</u>
	Joint Economic Development District			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$0	\$20,173	\$1,722	\$18,451
Total Assets	<u>0</u>	<u>20,173</u>	<u>1,722</u>	<u>18,451</u>
Liabilities:				
Other Liabilities	0	20,173	1,722	18,451
Total Liabilities	<u>\$0</u>	<u>\$20,173</u>	<u>\$1,722</u>	<u>\$18,451</u>

(Continued)

City of Fairfield, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2009

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$145,837	\$998,071	\$991,785	\$152,123
Total Assets	<u>145,837</u>	<u>998,071</u>	<u>991,785</u>	<u>152,123</u>
Liabilities:				
Other Liabilities	145,837	998,071	991,785	152,123
Total Liabilities	<u>\$145,837</u>	<u>\$998,071</u>	<u>\$991,785</u>	<u>\$152,123</u>

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Statistical Section

City of Fairfield, Ohio
Statistical Section

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

Contents

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

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

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

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

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

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

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

	Calendar Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$49,060,051	\$42,799,518	\$55,787,920	\$54,410,081	\$57,602,463	\$60,813,629	\$61,855,826	\$65,966,427
Restricted	18,439,582	24,840,210	19,587,895	11,788,385	11,245,048	10,331,713	16,285,100	14,757,991
Unrestricted	8,736,673	7,213,215	8,929,247	18,606,085	20,702,996	22,442,784	15,315,197	9,942,780
Total Governmental Activities Net Assets	\$76,236,306	\$74,852,943	\$84,305,062	\$84,804,551	\$89,550,507	\$93,588,126	\$93,456,123	\$90,667,198
Business-type activities								
Invested in Capital Assets, Net of Related Debt	\$34,245,290	\$35,166,882	\$34,493,502	\$34,091,302	\$34,692,293	\$34,821,973	\$35,778,211	\$37,114,611
Restricted	0	0	1,438,321	1,131,986	1,193,743	1,207,193	1,270,771	1,018,871
Unrestricted	16,868,346	14,443,918	13,181,031	13,863,041	13,454,093	13,231,494	12,489,925	10,201,536
Total Business-Type Activities Net Assets	\$51,113,636	\$49,610,800	\$49,112,854	\$49,086,329	\$49,340,129	\$49,260,660	\$49,538,907	\$48,335,018
Total Primary Government								
Invested in Capital Assets, Net of Related Debt	\$83,305,341	\$77,966,400	\$90,281,422	\$88,501,383	\$92,294,756	\$95,635,602	\$97,634,037	\$103,081,038
Restricted	18,439,582	24,840,210	21,026,216	12,920,371	12,438,791	11,538,906	17,555,871	15,776,862
Unrestricted	25,605,019	21,657,133	22,110,278	32,469,126	34,157,089	35,674,278	27,805,122	20,144,316
Total Primary Government Net Assets	\$127,349,942	\$124,463,743	\$133,417,916	\$133,890,880	\$138,890,636	\$142,848,786	\$142,995,030	\$139,002,216

Source: City Records

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

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

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

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

	Calendar Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type Activities:								
Charges for Services and Sales:								
Water Utility	3,346,234	3,295,461	3,382,911	3,509,115	3,468,314	3,813,675	3,873,447	3,759,023
Sewer Utility	3,576,138	3,995,556	4,234,392	4,170,483	4,569,010	4,569,801	4,612,647	4,720,792
Solid Waste Management	1,508,115	1,371,403	1,410,475	1,460,257	1,492,120	1,567,007	1,620,155	1,774,420
Recreation Facilities	1,409,174	1,486,307	1,417,897	1,533,572	1,644,698	1,696,093	2,015,057	2,057,814
Operating Grants and Contributions	0	0	273,206	0	0	0	0	33,290
Total Business-Type Activities Program Revenues	9,839,661	10,148,727	10,718,881	10,673,427	11,174,142	11,646,576	12,121,306	12,345,339
Total Primary Government Program Revenues	\$16,089,102	\$14,221,957	\$17,622,532	\$18,526,861	\$19,478,865	\$20,146,252	\$20,400,116	\$21,573,212
Net (Expense)/Revenue								
Governmental Activities	(\$23,769,672)	(\$27,561,526)	(\$24,147,432)	(\$27,605,600)	(\$27,861,182)	(\$29,924,296)	(\$31,812,913)	(\$31,184,063)
Business-type activities	(1,451,121)	(1,432,510)	(1,380,033)	(1,244,796)	(980,674)	(1,680,047)	(1,470,405)	(2,018,924)
Total Primary Government Net Expenses	(\$25,220,793)	(\$28,994,036)	(\$25,527,465)	(\$28,850,396)	(\$28,841,856)	(\$31,604,343)	(\$33,283,318)	(\$33,202,987)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Income Taxes	\$19,114,762	\$18,457,637	\$20,228,063	\$20,316,676	\$22,302,563	\$23,491,536	\$23,770,850	\$20,975,945
Property Taxes Levied for:								
General Purposes	4,558,801	4,958,234	5,958,198	4,954,867	1,293,193	1,560,761	1,106,422	1,547,487
Special Revenue Purposes	0	449,200	0	0	3,679,353	4,515,318	3,306,657	3,921,193
Grants and Entitlements not Restricted	2,916,695	1,725,249	2,728,213	2,263,680	3,197,933	3,111,723	3,008,438	1,571,533
Unrestricted Contributions	1,400	33,320	0	0	0	0	0	375,000
Investment Earnings	729,920	543,188	380,569	946,699	1,464,849	1,676,017	1,416,837	403,898
Refunds	304,120	47,791	0	0	0	90,431	179,369	0
Other Revenues	129,755	68,403	317,431	273,167	1,219,247	156,129	172,337	168,142
Transfers-Internal Activities	(550,000)	(396,000)	(650,000)	(650,000)	(550,000)	(640,000)	(1,280,000)	(568,060)
Total Governmental Activities	27,205,453	25,887,022	28,962,474	28,105,089	32,607,138	33,961,915	31,680,910	28,395,138
Business-Type Activities:								
Investment Earnings	442,843	300,408	162,472	428,305	647,220	685,420	359,838	120,747
Other Revenues	387,152	37,895	69,615	139,966	37,254	275,158	108,814	126,228
Transfers-Internal Activities	550,000	396,000	650,000	650,000	550,000	640,000	1,280,000	568,060
Total Business-Type Activities	1,379,995	734,303	882,087	1,218,271	1,234,474	1,600,578	1,748,652	815,035
Total Primary Government	\$28,585,448	\$26,621,325	\$29,844,561	\$29,323,360	\$33,841,612	\$35,562,493	\$33,429,562	\$29,210,173

City of Fairfield, Ohio
 Changes in Net Assets
 Last Eight Calendar Years (1)
 (accrual basis of accounting)
 Schedule 2 (Concluded)

	Calendar Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Change in Net Assets								
Governmental Activities	\$3,435,781	(\$1,674,504)	\$4,815,042	\$499,489	\$4,745,956	\$4,037,619	(\$132,003)	(\$2,788,925)
Business-Type Activities	(71,126)	(698,207)	(497,946)	(26,525)	253,800	(79,469)	278,247	(1,203,889)
Total Primary Government	<u>\$3,364,655</u>	<u>(\$2,372,711)</u>	<u>\$4,317,096</u>	<u>\$472,964</u>	<u>\$4,999,756</u>	<u>\$3,958,150</u>	<u>\$146,244</u>	<u>(\$3,992,814)</u>

Source: City Records

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

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$522,932	\$818,400	\$160,638	\$161,563	\$121,876	\$43,987	\$74,657	\$37,690	\$432,065	\$323,790
Unreserved	6,215,653	6,979,338	7,933,176	6,821,257	7,911,739	9,273,993	10,510,419	13,655,083	12,692,924	10,262,820
Total General Fund	6,738,585	7,797,738	8,093,814	6,982,820	8,033,615	9,317,980	10,585,076	13,692,773	13,124,989	10,586,610
All Other Governmental Funds										
Reserved	8,076,069	4,379,646	5,783,624	10,885,107	6,512,144	6,792,569	5,254,491	2,606,357	3,801,329	1,753,678
Unreserved, Reported in:										
Special Revenue Funds	1,243,907	1,463,759	1,439,711	1,243,418	1,364,045	2,062,987	2,617,729	3,353,296	3,911,307	4,433,536
Debt Service Funds	0	0	0	1,551,097	1,582,749	1,652,542	1,991,644	1,498,864	1,528,211	1,453,973
Capital Projects Funds	8,905,054	8,061,210	10,030,048	10,562,319	8,371,053	194,779	(10,454)	146,107	363,059	5,493,406
Total all Other Governmental Funds	\$18,225,030	\$13,904,615	\$17,253,383	\$24,241,941	\$17,829,991	\$10,702,877	\$9,853,410	\$7,604,624	\$9,603,906	\$13,134,593

Source: City Records

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$23,935,601	\$22,042,604	\$22,579,590	\$23,392,077	\$26,220,071	\$25,961,492	\$27,105,520	\$28,828,205	\$28,500,970	\$26,861,747
Fines, Licenses & Permits	1,197,181	1,402,165	1,462,843	1,596,540	2,858,235	1,974,885	2,437,555	2,136,564	2,363,478	2,136,000
Charges for Services	399,394	450,036	610,245	645,196	851,781	1,573,729	1,525,192	1,962,620	1,809,440	2,211,605
Investment Earnings	1,705,009	1,376,349	718,590	541,134	379,609	815,309	1,441,262	1,635,445	1,456,745	406,997
Intergovernmental	1,159,005	6,478,071	5,311,046	4,803,384	4,504,553	6,767,918	6,489,289	6,767,796	7,270,321	6,560,501
Special Assessments	180,190	170,028	157,814	84,479	63,649	61,048	173,721	253,763	279,582	69,656
Other Revenues	1,382,632	1,597,086	787,342	295,901	274,294	436,861	1,322,942	312,794	319,880	662,331
Total Revenues	\$29,959,012	\$33,516,339	\$31,627,470	\$31,358,711	\$35,152,192	\$37,591,242	\$40,495,481	\$41,897,187	\$42,000,416	\$38,908,838

Expenditures:										
Current:										
General Government	\$4,217,147	\$5,081,666	\$6,049,495	\$6,055,799	\$6,036,322	\$6,451,328	\$7,355,804	\$6,697,012	\$7,302,449	\$7,932,771
Public Safety	9,158,689	10,104,904	11,861,430	11,855,307	12,344,876	12,958,223	13,570,140	14,094,273	14,932,090	15,262,238
Leisure Time Activities	842,935	994,972	1,754,887	1,219,328	1,314,111	1,887,376	2,083,769	2,215,832	2,449,825	2,600,220
Community Development	915,681	886,016	5,283,792	2,297,100	1,033,798	1,107,022	1,183,209	1,573,045	1,588,348	1,439,439
Basic Utility Service	402,185	401,395	521,909	481,265	509,030	506,372	508,183	461,934	453,750	524,491
Transportation and Street Repair	1,980,761	2,280,900	5,612,924	2,817,083	2,528,611	7,908,631	6,058,791	7,946,070	8,260,640	7,318,320
Public Health and Welfare	27,315	26,731	25,576	25,809	25,278	25,007	24,363	24,166	23,457	23,074
Capital Outlay	10,554,288	16,326,623	0	6,480,035	14,417,429	10,226,385	7,349,867	5,363,198	2,368,797	6,902,977
Debt Service:										
Principal Retirement	350,000	355,000	651,910	658,519	914,716	953,756	945,591	890,000	870,000	954,515
Interest and Fiscal Charges	361,833	472,071	539,959	615,988	676,748	642,186	998,885	954,928	855,696	565,524
Bond Issuance Cost	0	0	0	0	0	0	0	0	0	74,141
Total Expenditures	\$28,810,834	\$36,930,278	\$32,301,882	\$32,506,233	\$39,800,919	\$42,666,286	\$40,078,602	\$40,220,458	\$39,105,052	\$43,597,710

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Excess (Deficiency) of Revenues Over Expenditures	\$1,148,178	(\$3,413,939)	(\$674,412)	(\$1,147,522)	(\$4,648,727)	(\$5,075,044)	\$416,879	\$1,676,729	\$2,895,364	(\$4,688,872)
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$30,615	\$208,032	\$28,662	\$21,086	\$37,572	\$17,295	\$636,750	\$12,002	\$16,134	\$346
Issuance of Capital Leases	0	394,645	0	0	0	0	0	0	0	378,346
Issuance of Long-Term Capital-Related Debt	0	0	4,500,000	7,500,000	0	0	0	0	0	6,065,000
Sale of Refunding Bonds	0	0	0	0	0	0	0	0	0	2,750,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	0	(2,829,535)
Premium/(Discount) on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	0	35,083
Transfers In	3,761,082	2,331,616	2,824,720	3,469,673	2,958,603	3,092,588	6,168,926	4,818,767	5,922,490	9,330,293
Transfers (Out)	(4,311,082)	(2,781,616)	(3,424,720)	(3,965,673)	(3,708,603)	(3,877,588)	(6,804,926)	(5,648,587)	(7,402,490)	(10,048,353)
Total Other Financing Sources (Uses)	(519,385)	152,677	3,928,662	7,025,086	(712,428)	(767,705)	750	(817,818)	(1,463,866)	5,681,180
Net Change in Fund Balances	\$628,793	(\$3,261,262)	\$3,254,250	\$5,877,564	(\$5,361,155)	(\$5,842,749)	\$417,629	\$858,911	\$1,431,498	\$992,308
Debt service as a percentage of noncapital expenditures (1)	3.9%	4.0%	4.6%	4.4%	5.4%	5.0%	5.9%	5.3%	4.7%	4.2%

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	Real Property Assessed Value	Tangible Personal Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2000	\$698,696,370	\$94,392,458	\$37,139,060	\$830,227,888	\$2,372,079,680	4.54
2001	713,313,820	86,791,735	33,922,640	834,028,195	2,382,937,700	5.94
2002	726,716,790	96,412,084	26,214,800	849,343,674	2,426,696,211	5.94
2003	842,270,440	89,464,979	26,456,830	958,192,249	2,737,692,140	5.94
2004	855,233,590	92,277,743	26,640,650	974,151,983	2,783,291,380	5.94
2005	860,513,110	96,878,011	28,395,480	985,786,601	2,816,533,146	5.94
2006 (1)	925,860,030	100,613,661	28,118,140	1,054,591,831	3,013,119,517	5.94
2007 (1)	940,328,360	83,540,896	26,584,060	1,050,453,316	3,067,550,375	5.94
2008 (1)	953,317,810	63,486,119	24,221,990	1,041,025,919	3,023,643,473	5.94
2009 (1)	1,021,253,020	0	24,308,010	1,045,561,030	2,905,398,587	5.94

Source: County Auditor

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

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

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

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

Calendar Year	City Levy	Total Direct Rate	Overlapping Rates		
			County Levy	School Levy	Voactional School Levy
2000	4.54	4.54	8.45	54.46	1.93
2001	5.94	5.94	8.45	54.23	1.93
2002	5.94	5.94	8.75	54.10	1.93
2003	5.94	5.94	8.75	53.82	1.93
2004	5.94	5.94	8.74	53.82	1.93
2005	5.94	5.94	8.74	58.66	1.93
2006	5.94	5.94	9.44	58.60	1.93
2007	5.94	5.94	10.95	58.60	1.93
2008	5.94	5.94	10.45	58.60	1.93
2009	5.94	5.94	9.75	56.59	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 Four Years Ago (1)
Schedule 7

2009 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$23,513,480	2.25%
Sam Boymel Trustee	12,535,570	1.20%
Ohio Casualty Insurance Co.	7,571,160	0.72%
Faith-Village Park Apartments	6,619,000	0.63%
Cincinnati Financial Corp.	6,062,830	0.58%
Timber Hollow Apartments	5,752,010	0.55%
Osborne Joyce H Family LTD PRT	5,415,040	0.52%
TGM Camelot, Inc.	5,380,780	0.51%
Rajole LLC	5,352,500	0.51%
Meijer Stores LTD PRT	4,700,150	0.45%
	<u>\$82,902,520</u>	<u>7.92%</u>

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

Source: County Auditor

- (1) - Current and four years ago information only available
- (2) - 2009 tax year
- (3) - 2005 tax year

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$2,565,713	\$2,481,304	96.71%	\$45,275	\$2,526,579	98.47%
2001	4,424,612	4,213,486	95.23%	114,510	4,327,996	97.82%
2002	5,027,858	4,451,961	88.55%	130,067	4,582,028	91.13%
2003	4,701,032	4,553,855	96.87%	147,215	4,701,070	100.00%
2004	4,831,100	4,618,793	95.61%	133,406	4,752,199	98.37%
2005	4,761,737	4,632,520	97.29%	98,853	4,731,373	99.36%
2006	5,598,860	5,256,965	93.89%	166,681	5,423,646	96.87%
2007	5,528,641	5,197,981	94.02%	155,648	5,353,629	96.83%
2008	5,435,599	4,973,339	91.50%	242,262	5,215,601	95.95%
2009	5,174,402	4,860,458	93.93%	173,884	5,034,342	97.29%

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
2000	1.50%	\$12,208,006	\$1,640,703	\$2,995,555	\$16,844,264	72.5%	9.7%	17.8%	100.0%
2001	1.50%	13,578,070	1,484,352	3,060,897	18,123,319	74.9%	8.2%	16.9%	100.0%
2002	1.50%	13,613,373	1,513,207	3,100,696	18,227,276	74.7%	8.3%	17.0%	100.0%
2003	1.50%	14,323,319	2,033,946	2,628,683	18,985,948	75.4%	10.7%	13.9%	100.0%
2004	1.50%	15,268,560	2,149,376	3,013,100	20,431,036	74.7%	10.5%	14.8%	100.0%
2005	1.50%	16,077,087	2,481,067	2,861,497	21,419,651	75.1%	11.6%	13.4%	100.0%
2006	1.50%	16,835,490	2,453,588	2,884,054	22,173,132	75.9%	11.1%	13.0%	100.0%
2007	1.50%	18,435,779	3,030,632	2,650,151	24,116,562	76.4%	12.6%	11.0%	100.0%
2008	1.50%	17,973,429	3,554,484	2,646,073	24,173,986	74.4%	14.7%	10.9%	100.0%
2009	1.50%	17,079,959	2,409,419	2,772,187	22,261,565	76.7%	10.8%	12.5%	100.0%

Source: City Finance Department

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

	2009
Name	Amount
Cincinnati Insurance	\$2,848,228
Liberty Mutual	878,945
Mercy Regional Health	858,950
Medco Health Solutions	718,801
Fairfield Board of Education	703,189
City of Fairfield	307,939
Koch Meat Co Inc.	285,104
Pacific Mfg Ohio Inc.	252,159
Takumi stamping Inc.	156,695
PNG Telecommunications Inc.	151,481
Total Collections - Principal Taxpayers	<u>\$7,161,491</u>
Total Collections	\$22,261,565
Combined percentage of total income taxes	32.2%

	2006
Name	Amount
Cincinnati Insurance	\$2,556,982
Ohio Casualty Group	1,132,127
Mercy Regional Health System	737,669
Fairfield Board of Education	632,349
Medco Health Solutions	510,152
City of Fairfield	259,417
Pacific Mfg Ohio Inc.	226,750
FedEx Freight East Inc.	182,398
PNG Telecommunications Inc.	159,146
Koch Meat Co Inc.	228,501
Total Collections - Principal Taxpayers	<u>\$6,625,491</u>
Total Collections	\$22,173,132
Combined percentage of total income taxes	29.9%

Source: City Finance Department

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

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

Calendar Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Special Assessment Bonds	Capital Leases	Loans	General Obligation Bonds	Mortgage Revenue Bonds	Notes Payable			
2000	\$5,205,000	\$745,000	\$305,000	\$0	\$12,975,110	\$0	\$6,060,000	\$3,000,000	\$28,290,110	0.30%	\$989
2001	4,945,000	4,500,000	210,000	382,998	11,827,062	0	5,600,000	2,550,000	30,015,060	0.31%	1,039
2002	8,945,000	0	130,000	311,088	11,162,823	2,220,000	5,115,000	1,500,000	29,383,911	0.30%	1,004
2003	15,930,000	0	75,000	222,569	10,502,496	2,140,000	4,605,000	1,500,000	34,975,065	0.34%	1,165
2004	15,120,000	0	50,000	149,347	9,923,688	2,060,000	4,070,000	1,500,000	32,873,035	0.30%	1,049
2005	14,275,000	9,000,000	25,000	65,591	9,321,282	1,975,000	3,505,000	4,000,000	42,166,873	0.38%	1,332
2006	13,420,000	9,200,000	0	0	8,694,316	1,885,000	3,280,000	3,000,000	39,479,316	0.34%	1,192
2007	12,530,000	8,000,000	0	0	8,041,787	1,795,000	3,045,000	2,500,000	35,911,787	0.30%	1,061
2008	11,660,000	6,500,000	0	0	7,362,653	1,700,000	2,800,000	2,000,000	32,022,653	N/A	N/A
2009	16,840,566	0	0	348,831	6,655,829	3,843,489	0	1,900,000	29,588,715	N/A	N/A

Source: City Finance Department

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

N/A - Information not available

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

Calendar Year	General Bonded Debt Outstanding General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2000	\$5,205,000	0.22%	\$124
2001	4,945,000	0.21%	115
2002	8,945,000	0.37%	206
2003	15,930,000	0.58%	358
2004	15,120,000	0.54%	360
2005	14,275,000	0.51%	337
2006	13,420,000	0.45%	317
2007	12,530,000	0.41%	296
2008	11,660,000	0.39%	275
2009	16,840,566	0.58%	397

Source: City Finance Department

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

City of Fairfield, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2009
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Fairfield City	\$22,500,000	100.00%	\$22,500,000
Butler County	57,228,590	13.08%	7,485,500
Hamilton County	107,460,000	0.00%	0
Fairfield City School District	27,635,841	70.42%	19,461,159
Lakota Local School District	160,094,128	0.50%	800,471
Northwest Local School District	18,485,000	0.01%	1,849
Butler Technology & Career Center Jt. Voc. School District	7,000,000	12.14%	849,800
Total Direct and Overlapping Debt	\$400,403,559		\$51,098,779

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 Calendar Year 2009

Assessed Value	\$1,045,561,030	\$1,045,561,030
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	109,783,908	57,505,857
Debt Applicable to Limit:		
Gross Indebtedness	16,840,566	16,840,566
Less: Bond Retirement Fund Balance	33,012	33,012
Total Net Debt Applicable to Limit	16,807,554	16,807,554
Legal Debt Margin	\$92,976,354	\$40,698,303

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Debt Limit (1)	\$87,173,928	\$87,572,960	\$89,181,086	\$100,610,186	\$102,285,958	\$103,507,593	\$110,732,142	\$110,297,598	\$109,307,721	\$109,783,908
Debt Limit (10.5%)										
Total Net Debt Applicable to Limit	5,580,076	9,281,783	8,478,368	15,512,938	14,707,804	13,860,169	12,738,213	12,405,624	12,412,260	16,807,554
Legal Debt Margin	\$81,593,852	\$78,291,177	\$80,702,718	\$85,097,248	\$87,578,154	\$89,647,424	\$97,993,929	\$97,891,974	\$96,895,461	\$92,976,354

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Net Debt Applicable to the Limit	6.4%	10.6%	9.5%	15.4%	14.4%	13.4%	11.5%	11.2%	11.4%	15.3%
as a Percentage of Debt Limit										

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Unvoted Debt Limit (1)	\$45,662,534	\$45,871,551	\$46,713,902	\$52,700,574	\$53,578,359	\$54,218,263	\$58,002,551	\$57,774,932	\$57,256,426	\$57,505,857
Debt Limit (5.5%)										
Total Net Debt Applicable to Limit	5,580,076	9,281,783	8,478,368	15,512,938	14,707,804	13,860,169	12,738,213	12,405,624	12,412,260	16,807,554
Legal Debt Margin	\$40,082,458	\$36,589,768	\$38,235,534	\$37,187,636	\$38,870,555	\$40,358,094	\$45,264,338	\$45,369,308	\$44,844,166	\$40,698,303

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Net Debt Applicable to the Limit	12.2%	20.2%	18.1%	29.4%	27.5%	25.6%	22.0%	21.5%	21.7%	29.2%
as a Percentage of Debt Limit										

Source: City Records

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

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2000	\$186,351	\$305,000	\$23,259	0.57
2001	174,797	210,000	16,015	0.77
2002	160,275	130,000	10,587	1.14
2003	53,988	75,000	5,719	0.67
2004	76,098	50,000	3,813	1.41
2005	161,327	25,000	1,906	6.00
2006	76,373	0	0	N/A
2007	165,387	0	0	N/A
2008	142,506	0	0	N/A
2009	37,251	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	Personal Income (Thousands of Dollars) (1)	Per Capita Personal Income (2)	Unemployment Rate (3)
2000	42,097	\$9,547,252	\$28,608	2.90%
2001	43,149	9,729,127	28,881	3.20%
2002	43,365	9,938,473	29,273	4.30%
2003	44,449	10,285,549	30,014	4.60%
2004	41,981	10,844,563	31,332	4.80%
2005	42,370	11,080,584	31,662	4.70%
2006	42,370	11,707,628	33,130	4.50%
2007	42,386	12,114,458	33,848	5.10%
2008	42,386	N/A	N/A	6.20%
2009	42,386	N/A	N/A	9.30%

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

N/A - Information not available

City of Fairfield, Ohio
Major Employers (1)
Current Fiscal Year and Fiscal Period One Year Ago (2)
Schedule 17

2009

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

2008

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

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Administration	6	6	5	6	6	5	5	5	5	5
City Council	2	2	2	2	2	2	2	2	2	2
Engineering	7	8	8	8	8	7	7	7	7	7
Facility/Janitors	2	2	2	2	2	2	2	2	2	2
Municipal Court	16	18	17	19	19	18	19	21	21	21
Finance	16	19	19	19	20	21	20	20	21	23
Public Safety										
Police										
Officers	57	50	59	60	59	61	60	60	60	61
Non-Sworn	18	18	19	20	20	19	20	21	21	20
Fire	21	23	23	24	24	27	30	30	30	31
Leisure Time Activities										
Parks and recreation	14	18	17	21	21	23	22	22	22	22
Community Development										
Planning and Zoning	6	5	5	4	4	4	4	4	4	4
Building Inspection	8	7	7	7	8	8	9	9	10	10
Economic Development	0	0	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	20	21	21	22	22	21	20	22	21	21
Wastewater	22	21	23	22	23	21	22	22	22	22
Transportation and Street Repair	24	27	27	26	30	30	30	30	30	30
Total	239	245	255	263	269	270	273	278	279	282

Source: City Finance Department

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

Function/Program	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Community Environment										
Planning and Development										
Building permits issued	2,203	2,011	2,164	2,140	2,237	2,192	1,910	1,739	1,902	1,890
Building inspections conducted	5,699	5,959	6,847	5,343	5,733	4,895	4,030	3,491	4,196	2,841
Economic Development										
Value of Residential Construction	\$14,853,756	\$13,891,545	\$15,291,021	\$19,381,595	\$18,884,763	\$19,727,985	\$15,292,249	\$8,266,873	\$5,987,184	\$7,878,345
Value of Commercial Construction	\$32,012,242	\$36,009,579	\$39,900,230	\$76,493,987	\$28,039,382	\$45,152,931	\$68,682,460	\$31,323,193	\$40,943,871	\$10,637,756
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,008	1,166	1,228	1,322	1,122	1,126	1,050	1,163	932	1,060
Dollar Amount of Refunds	\$461,841	\$446,399	\$400,338	\$551,286	\$490,110	\$514,281	\$435,208	\$650,850	\$886,280	\$838,260
Average Refund Amount	\$458	\$383	\$326	\$417	\$437	\$457	\$414	\$560	\$951	\$791
Court										
Number of Criminal Cases	2,356	2,024	2,759	4,111	2,744	3,432	4,066	4,063	4,123	470
Number of Civil Cases	1,114	1,217	1,540	1,638	1,928	1,876	1,905	2,014	2,136	1,837
Construction Services										
Square Footage of Sidewalk Repairs	10,835	16,787	47,330	12,823	14,769	1,110	16,439	17,198	26,999	32,598
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	1,514	1,299	1,387	1,483	1,236	1,223	1,178	1,929	3,798	3,612
Juvenile	462	394	393	385	382	474	565	441	497	387
Citations	9058	8922	7207	7,036	5,428	7,354	5,758	3,438	3,847	3,432
Accidents	1,611	1,615	1,563	1,516	1,516	1,470	1,514	1,403	1,628	1,283
Fire										
Emergency responses	3,041	3,226	3,484	3,574	3,681	3,818	4,247	5,257	3,929	4,355
Fire Calls	169	153	167	172	143	3,172	4,461	1,244	2,366	1,022
Inspections	2,850	2,900	3,000	3,300	3,200	3,560	3,600	2,841	2,032	2,100
Transportation										
Public Works										
Number of Street Miles Resurfaced	8	6	8	9	6	6	5	8	7	6
Tons of Street Salt Used	5,284	1,449	3,240	6,725	4,159	3,811	949	5,648	6,663	5,277
Cubic Yards of Leaves Picked-up	6,264	5,697	7,346	3,053	5,770	5,985	8,054	5,300	4,056	6,074

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

Function/Program	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Leisure										
Parks and Recreation										
Number of Theater Patrons		(a)	(a)	(a)	(a)	8,113	11,842	12,645	13,775	15,516
Number of Pool Admissions	31,708	34,810	36,550	38,000	40,139	42,614	43,124	42,204	41,747	34,741
Program Attendance:										
Youth/Preschool	6,784	6,823	7,224	8,168	9,259	15,245	18,968	33,535	26,464	19,710
Fitness	185	172	320	725	950	6,800	8,311	11,225	12,695	12,298
Senior Activities	250	275	320	350	420	5,500	9,883	11,152	12,957	14,521
Water										
Water main breaks	47	35	43	43	55	55	35	66	65	64
Average daily consumption (millions of gallons)	5.572	5.017	5.057	4.789	4.986	5.125	5.040	5.760	5.360	5.250
Peak daily consumption (millions of gallons)	6.430	5.670	7.020	5.366	5.739	6.076	6.546	7.883	8.208	7.749
Wastewater										
Average daily sewage treatment (millions of gallons)	5.553	5.389	5.724	5.717	5.605	5.977	5.308	5.900	5.679	5.084

Source: Various City Departments

(a) - Not available. The City's Community Arts Center Theater opened May, 2005.

(b) - Not available.

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

Function/Program	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Municipal Building (square footage)	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	(a)	(a)	(a)	(a)	(a)	(a)	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,795	17,795	17,795	17,795	17,795	17,795	50,033	50,033	50,033	50,033
Police Cruisers	20	20	20	21	21	21	26	26	26	26
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	4	4	5	5	5
Number of EMS Vehicles	4	4	4	4	4	4	4	4	4	4
Public Works										
Area of City (square miles)	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18	20.18
Streets (miles)	135.5	147.0	147.0	147.0	160.5	160.5	160.5 #	160.5	160.5	160.5
Highways (miles)	7.14	7.14	7.14	7.14	7.14	7.14	7.14 #	7.14	7.14	7.14
Streetlights	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525	1,525
Traffic signals	47	49	52	53	53	53	55	58	58	58
Parks and Recreation										
Number of Parks	22	24	24	24	24	24	25	25	25	25
Area of Parks (acreage)	438.05	438.50	438.50	438.50	438.50	438.50	469	469	469	469
Playgrounds	9	9	10	11	11	12	12	12	12	12
Baseball/softball diamonds	16	16	16	16	16	16	16	16	16	16
Soccer/football fields	10	11	11	11	11	11	11	11	11	11
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	0	0	0	0	0	1	1	1	1	1
Golf Courses	1	1	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Water Mains (miles)	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00
Fire hydrants	2,221	2,238	2,255	2,278	2,299	2,301	2,326	2,326	2,384	2,384
Sewers										
Treatment Capacity (millions of gallons)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Sanitary Sewers (miles)	157.20	159.80	160.20	160.40	161.00	164.00	166.10	166.10	175.00	175.00

Source: Various City Departments

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

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Mary Taylor, CPA
Auditor of State

CITY OF FAIRFIELD

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 9, 2010**