

**CITY OF FAIRFIELD
BUTLER COUNTY**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of 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 Plattenburg & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 03, 2022

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**CITY OF FAIRFIELD
HAMILTON COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 23, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

May 23, 2022

2021

City of Fairfield, Ohio

Annual Comprehensive Finance Report
For the Year Ended December 31, 2021



CITY OF FAIRFIELD, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

**Prepared By:
Department of Finance
Jacob Burton, Director**



On the Cover

Multiple scenic views of the City of Fairfield. The City includes two golf courses, a dog park, an amphitheater, multiple playgrounds, and gazebos.

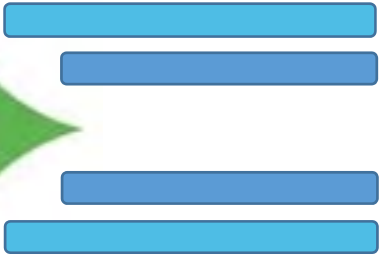
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Introductory Section

May 23, 2022

The Honorable Mitch Rhodus, Mayor
Members of City Council
City of Fairfield
5350 Pleasant Avenue
Fairfield, Ohio 45014

The Annual Comprehensive Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 2021 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Fairfield, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

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

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

Economic Conditions and Outlook

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

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

The residents approved an income tax reapportionment of the 1.5% income tax in 2012 to offset losses in State revenue. This reapportionment was effective in 2013 and reallocated monies to the General fund by reducing the Street and Capital Improvement funds each by 0.05%. It was understood at the time of the reapportionment should the General fund have available funds above the reserve balance, funds would be transferred back to the Street Improvement and Capital Improvement funds to replace the 0.05%. In 2021, the City replenished the revenue to the Street Improvement and Capital Improvement funds to fund the substantial five-year Capital Improvement Program. The City will continue to do so as long as income tax revenues are sufficient to maintain the General fund operations and reserves.

Relevant Financial Policies

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

Major Initiatives

The following were among the many diverse activities and/or programs to which both the elected officials and staff devoted their energies in 2021:

- 1) Construction of the new building to house a new bio solid dewatering system and future chemical storage and feed system for phosphorus precipitation began in 2021.
- 2) Boymel Drive Improvements were also completed in 2021. This improvement project will add a left turn lane to southbound Boymel at the intersection of Route 4 and Boymel Drive. The addition of this turn lane will better align traffic on Boymel across the intersection and increase the visibility of opposing vehicles. At the intersection, the completed project will include new full-depth pavement, curb, storm sewer, sidewalk, curb ramps, and limited water work associated with a fire hydrant relocation. Internal Accounting and Budgetary Controls.

Future Projects

Accomplishments and significant capital projects to look forward to in 2022 include the following:

- 1) The Public Utilities Department plans to bid and award a turn-key project for the installation of smart meters and a new meter reading software system for the entire City in 2022. The last City-wide meter replacement project occurred in 2002. Successful completion of this project will heavily involve the participation of the Utility Billing & Collections Division of the Finance Department. Contractors will replace all City water meters, while management from the Public Utilities Department and the Finance Department will work closely with the contractor to ensure successful data transmission and software functionality. There are currently approximately 13,700 water meters throughout the City, and 85% of these meters are located inside homes and businesses. The new system will include an advanced metering infrastructure (AMI), which provides 2-way communication between the water meters and the software. This 2-way communication will allow for real-time system data, including hourly meter readings. Access to real-time data will significantly improve customer service and workforce management by providing alerts for possible leaks, negative consumption, backflow, inactive meters, and meter tampering.
- 2) The Route 4/Michael/Camelot Improvements are planned for the year 2022. This project will be a safety improvement funded primarily by the Ohio Department of Transportation. This safety project will realign the intersection of Route 4 with Michael Lane and Camelot Drive so that the streets line up with each other. The design is to skew the road slightly to allow Michael Lane and Camelot Drive to line up with each other. The City has designed the project to minimize the impact to property owners as much as possible. Improvements will also include shifting the existing pavement, overlay, curb, sidewalk, and pavement markings, as well as relocating the traffic signals, and existing utilities.

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

Budgetary control is maintained at the department level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as assignments of the fund balance for the governmental fund types at December 31, 2021.

Internal Accounting and Budgetary Controls

The City believes that the internal control structure adequately safeguarded assets and provided reasonable assurance of proper recording of financial transactions. The cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. It is further the City's intention to review these controls in depth on an ongoing basis for continued refinements and improvements.

Budgetary control is maintained at the department level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as assignments of the fund balance for the governmental fund types at December 31, 2020.

City Income Tax

Under the Ohio Revised Code, Section 718, municipal governments can levy an income tax. Since 1960, the City has levied an income tax on gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. The current income tax rate of 1.5% was approved by voters in 1971 and since then the allocation of the income taxes has changed 4 times. The latest voter approved allocation occurred in 2012, effective for 2013. The current allocation of the income tax is 1.2% to the General fund, 0.15% to the Street Improvement fund and 0.15% to the Capital Improvement fund.

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

		<u>2021</u>	<u>2020</u>
General Fund	1.20%	\$29,205,346	\$26,298,838
Street Improvement Fund	0.15%	3,650,668	3,287,355
Capital Improvement Fund	0.15%	<u>3,650,668</u>	<u>3,287,355</u>
Gross Revenues		<u>\$36,506,682</u>	<u>\$32,873,548</u>

Independent Audit

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

Acknowledgements

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

Respectfully submitted,
City of Fairfield

A handwritten signature in blue ink that reads "Scott W. Timmer". The signature is written in a cursive style with a large, stylized "S" and "T".

Scott W. Timmer
City Manager

A handwritten signature in blue ink that reads "Jacob Burton". The signature is written in a cursive style with a large, stylized "J" and "B".

Jacob Burton
Director of Finance

**CITY OF FAIRFIELD
PUBLIC OFFICIALS**

MAYOR

Mitch Rhodus

COUNCIL MEMBERS

Vice Mayor – Tim Abbott

Leslie Besl
Gwen Brill
Dale Paullus

Matt Davidson
Terry Senger
Tim Meyers

APPOINTED OFFICIALS

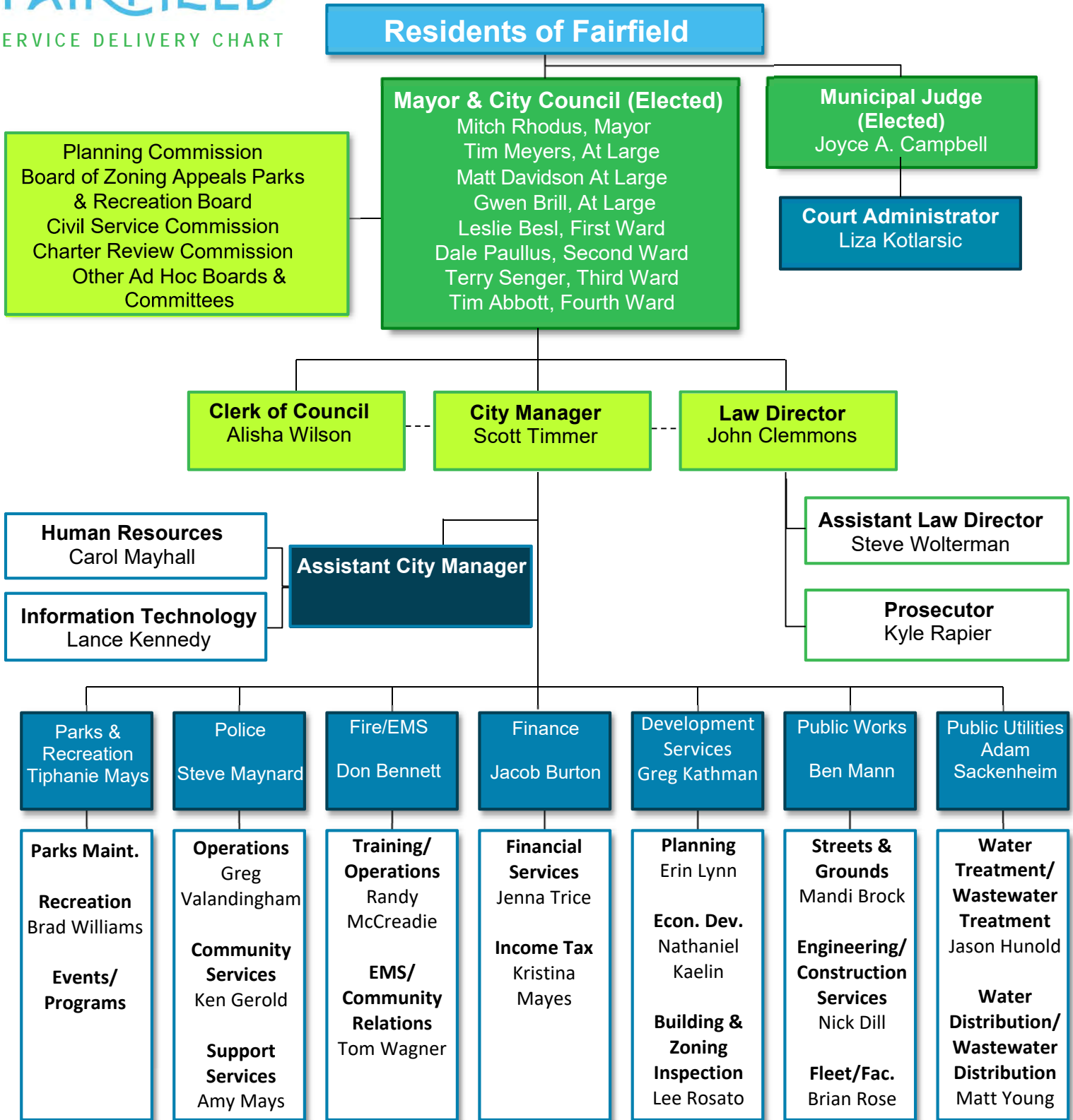
City Manager
Assistant City Manager
Director of Finance
Director of Law
Director of Public Works
Director of Parks and Recreation
Director of Public Utilities
Director of Development Services
Chief of Police
Chief of Fire
Clerk of Council

Scott Timmer
Vacant
Jacob Burton
John Clemmons
Ben Mann
Tiphonie Howard
Adam Sackenheim
Greg Kathman
Steve Maynard
Donald Bennett
Alisha Wilson

DEPARTMENT OF FINANCE

Jacob Burton
Jenna Trice
Kristina Mayes
Karen Broughton

Finance Director
Financial Services Manager
Income Tax Administrator
Payroll Administrator





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

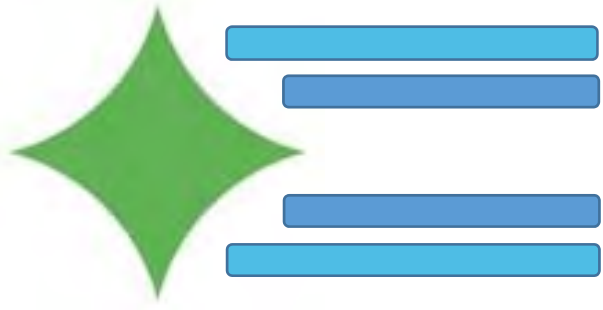
**City of Fairfield
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairfield, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
May 23, 2022

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2021
(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, 2021. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The City's total net position increased \$22,206,369. Net position of governmental activities increased \$20,367,296, net position of business-type activities increased by \$1,839,073.
- The general fund reported a fund balance of \$29,752,392.
- Business-type operations reflected operating income of \$1,464,431.
- The City had \$37,861,422 in expenses relating to governmental activities; program revenues offset \$10,622,059 of these expenses. General revenues of \$47,606,659 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2021
(Unaudited)

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

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

Fund Financial Statements

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

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

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

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

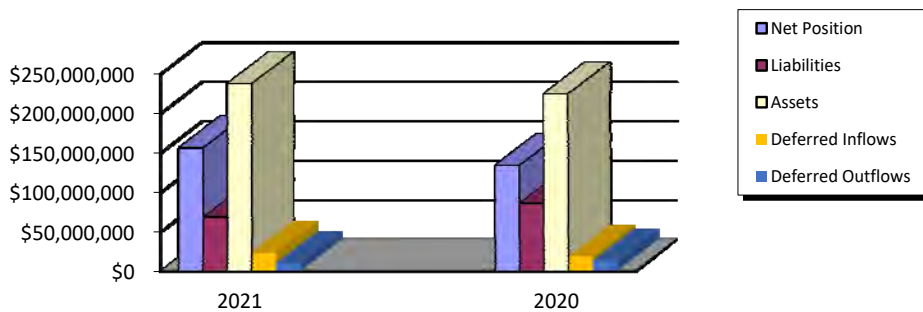
City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2021
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City’s net position for 2021 compared to 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and Other Assets	\$88,317,203	\$75,483,303	\$26,707,532	\$22,126,351	115,024,735	\$97,609,654
Capital Assets	81,922,234	84,360,503	40,542,260	42,509,671	122,464,494	126,870,174
Total Assets	170,239,437	159,843,806	67,249,792	64,636,022	237,489,229	224,479,828
Deferred Outflows of Resources:						
Deferred Charge on Refunding	325,406	389,569	0	4,959	325,406	394,528
OPEB	3,623,545	4,905,371	249,463	445,515	3,873,008	5,350,886
Pension	5,660,552	6,824,629	550,908	571,626	6,211,460	7,396,255
Total Deferred Outflows of Resources	9,609,503	12,119,569	800,371	1,022,100	10,409,874	13,141,669
Liabilities:						
Long-Term Liabilities	50,008,580	67,710,825	5,626,048	7,784,199	55,634,628	75,495,024
Other Liabilities	5,411,850	3,256,715	7,348,371	7,029,488	12,760,221	10,286,203
Total Liabilities	55,420,430	70,967,540	12,974,419	14,813,687	68,394,849	85,781,227
Deferred Inflows of Resources:						
Property Taxes	7,470,000	7,162,200	0	0	7,470,000	7,162,200
Grants and Other Taxes	280,577	281,702	0	0	280,577	281,702
OPEB	5,125,467	3,008,586	1,702,515	437,591	6,827,982	3,446,177
Pension	6,876,316	6,234,493	1,990,539	863,227	8,866,855	7,097,720
Total Deferred Inflows of Resources	19,752,360	16,686,981	3,693,054	1,300,818	23,445,414	17,987,799
Net Position:						
Net Investment In Capital Assets	74,289,642	74,485,490	34,374,363	37,067,270	108,664,005	111,552,760
Restricted	34,773,809	32,170,370	1,085,442	1,085,053	35,859,251	33,255,423
Unrestricted	(4,387,301)	(22,347,006)	15,922,885	11,391,294	11,535,584	(10,955,712)
Total Net Position	\$104,676,150	\$84,308,854	\$51,382,690	\$49,543,617	\$156,058,840	\$133,852,471



Total net position of the City as a whole increased \$22,206,369. Net position of the City’s governmental activities increased \$20,367,296, while the net position of the City’s business-type activities increased \$1,839,073 from 2020. The largest portion of the City’s net position reflect its investment in capital assets, less any related debt to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens of the City. The City had an unrestricted net position balance of \$11,535,584. Capital Assets decreased mainly due to current year depreciation expense being greater than additions. Total Long-Term Liabilities decreased mainly due to changes in net pension liability.

City of Fairfield, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2021
(Unaudited)

Table 2 shows the changes in net position at year-end and revenue and expense comparisons for 2021 to 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$4,805,025	\$4,122,790	\$19,973,353	\$18,935,348	\$24,778,378	\$23,058,138
Operating Grants and Contributions	4,734,913	7,280,416	0	0	4,734,913	7,280,416
Capital Grants and Contributions	1,082,121	546,409	0	0	1,082,121	546,409
Total Program Revenues	10,622,059	11,949,615	19,973,353	18,935,348	30,595,412	30,884,963
General Revenues:						
Income Taxes	37,330,331	33,288,670	0	0	37,330,331	33,288,670
Property Taxes	8,183,073	7,592,287	0	0	8,183,073	7,592,287
Grants and Entitlements	1,339,306	1,440,893	0	0	1,339,306	1,440,893
Investment Earnings	(34,539)	280,478	(23,156)	69,958	(57,695)	350,436
Other Revenues	1,278,488	1,266,258	286,455	190,022	1,564,943	1,456,280
Total General Revenues	48,096,659	43,868,586	263,299	259,980	48,359,958	44,128,566
Total Revenues	58,718,718	55,818,201	20,236,652	19,195,328	78,955,370	75,013,529
Program Expenses:						
General Government	7,440,303	12,617,792	0	0	7,440,303	12,617,792
Public Safety	15,832,041	22,689,176	0	0	15,832,041	22,689,176
Community Development	1,015,903	1,644,000	0	0	1,015,903	1,644,000
Liesure Time Activities	3,173,971	3,957,029	0	0	3,173,971	3,957,029
Transportation and Street Repair	9,667,667	9,766,869	0	0	9,667,667	9,766,869
Basic Utility Service	488,930	483,211	0	0	488,930	483,211
Public Health and Welfare	22,183	3,036,447	0	0	22,183	3,036,447
Interest and Other Charges	220,424	381,288	0	0	220,424	381,288
Water Utility	0	0	7,229,429	7,105,394	7,229,429	7,105,394
Sewer Utility	0	0	6,715,790	5,329,744	6,715,790	5,329,744
Solid Waste	0	0	2,486,619	2,436,344	2,486,619	2,436,344
Recreation	0	0	2,455,741	1,152,094	2,455,741	1,152,094
Total Program Expenses	37,861,422	54,575,812	18,887,579	16,023,576	56,749,001	70,599,388
Increase (Decrease) in Net Position before Transfers	20,857,296	1,242,389	1,349,073	3,171,752	22,206,369	4,414,141
Transfers - Internal Activities	(490,000)	(490,000)	490,000	490,000	0	0
Change in Net Position	20,367,296	752,389	1,839,073	3,661,752	22,206,369	4,414,141
Net Position - Beginning of Year	84,308,854	83,556,465	49,543,617	45,881,865	133,852,471	129,438,330
Net Position - End of Year	\$104,676,150	\$84,308,854	\$51,382,690	\$49,543,617	\$156,058,840	\$133,852,471

Governmental Activities

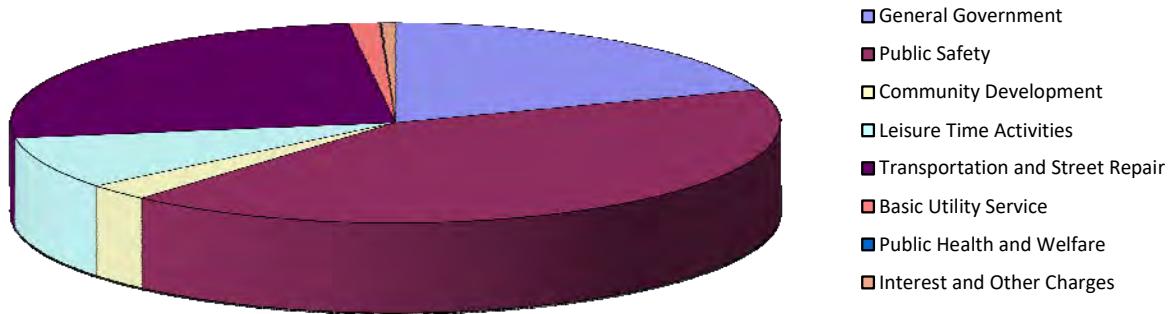
The City had an increase in revenues mainly due to an increase in property taxes and income taxes that the City received in 2021. Total expenses decreased from 2020 mainly due to the City's public safety services that they provide and general government expenses.

Revenues generated by the earnings tax represent approximately 64% of the City's governmental activities revenues. The City's 2021 earnings tax revenues increased approximately 12.1% when compared to 2020 earnings tax revenues.

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(Unaudited)

Governmental Activities Program Expenses for the Current Year

	<u>Percentage</u>
General Government	19.6%
Public Safety	41.8%
Community Development	2.7%
Leisure Time Activities	8.4%
Transportation and Street Repair	25.5%
Basic Utility Service	1.3%
Public Health and Welfare	0.1%
Interest and Other Charges	<u>0.6%</u>
Total	<u><u>100.0%</u></u>



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

Income Tax

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

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

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

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

Business-Type Activities

The City's business-type activities include Water Utility, Sewer Utility, Solid Waste Management and Recreation Facilities operations. The City's business-type activities had operating income of \$1,464,431 for 2021. The operating revenues for business-type activities were \$20,259,808, while operating expenses were \$18,795,377 for 2021. The decrease in operating income for 2021 was mainly due to an increase in the City's operating expenses, in 2021 as compared to 2020.

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

For the next nearly twenty years, the City operated the ion exchange plant as its primary source of drinking water. But as the City grew, the supply was not sufficient to keep up with demand. As a result, the City entered into an agreement with the City of Hamilton to purchase supplemental water supplies, with more and more supplemental water required each year. In 1984, the City decided to become self-sufficient again for its water supply and initiated an expansion of the City's water plant. The expansion included construction of a separate wing providing treatment by lime/soda ash softening, as opposed to the existing process involving ion exchange treatment. This initial addition of the lime/soda ash plant consisted of a 4.5 MGD expansion. A second addition to the lime/soda ash plant was completed in 1990. Today, the plant has a combined capacity of 10.5 MGD day. This includes 1.5 MGD for the original ion exchange plant, and 4.5 MGD for each of the two phases of the lime/soda ash plant expansion. Traditionally, engineering and design standards have been very conservative, with actual working capacities greatly exceeding design standards. Re-rating is a formal, regulatory process that allows the plant - with a few, low-capital intensive improvements to be rated for increased capacity. In 2003 the City petitioned the state of Ohio and was granted to have the capacity of the lime/soda ash plant re-rated from 9.0 to 13.5 million gallons per day. This should meet all potential demands for the City of Fairfield for the foreseeable future.

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

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

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

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

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

Waste Collection – The City contracts with Rumpke, a private organization, to provide waste removal and recycling services to residential customers in the City of Fairfield. In 2017, Council authorized a contract renewal for five additional years with Rumpke for Fairfield residents' waste and recycling collection services. Per the City's contract the 2018 rate was \$12.35 per month for curbside service and \$7.00 per month for dumpster service. The rates increased in September, 2019 to \$12.96 per month for curbside service and \$7.28 per month for dumpster service. The full costs of the services are passed-through to the residents. Annual increases are scheduled throughout the contract which will result in the curbside rate to be \$13.39 and the dumpster rate to be \$7.58 at the end of the five year contract.

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

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

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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 four major governmental funds: the General Fund, Fire Levy Fund, American Rescue Plan Act Fund, and Street Improvement Fund. Assets of these funds comprised \$62,525,136 (74%) of the total governmental fund assets.

General Fund: Fund balance at December 31, 2021 was \$29,752,392, an increase in fund balance of \$5,803,621 from 2020. The general fund had an increase in fund balance mainly due to the increase in revenues when compared to 2020. The City's had this increase due to both an increase in property tax and income tax revenues when compared to the prior year.

Fire Levy Fund: Fund balance at December 31, 2021 was \$2,991,653, a decrease of \$1,298,468 from 2020. The decrease in fund balance from the prior year was mainly due to an increase in expenditures related to the public safety, which is provided throughout the City.

American Rescue Plan Act Fund: Fund balance at December 31, 2021 was \$0, with a cash and unearned revenues balance of \$2,228,998.

Street Improvement Fund: Fund balance at December 31, 2021 was \$10,834,677, an increase in fund balance of \$1,657,944 from 2020. This increase was mainly due to income tax revenues and grant monies that the City received during 2021 being greater than the prior year.

General Fund Budgeting Highlights

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

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For the General Fund, the final budgeted expenditures were \$29,241,192 and the final actual expenditures were \$26,959,721. The difference was \$2,281,471. Variations from the final budgeted expenditures to the final actual expenditures are primarily due to the following: the City conservatively budgeted for the general services and the police expenditures for 2021. As the City completed the year, its General Fund balance reported an actual fund balance of \$27,115,689, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$122,464,494 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2021 balances compared to 2020:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$21,248,462	\$19,535,340	\$1,736,949	\$1,641,949	\$22,985,411	\$21,177,289
Construction in Progress	1,116,512	2,686,171	497,686	1,310,617	1,614,198	3,996,788
Buildings and Improvements	49,067,466	48,603,905	52,082,988	51,851,531	101,150,454	100,455,436
Equipment	18,419,949	17,471,264	4,795,290	4,765,720	23,215,239	22,236,984
Infrastructure	114,682,363	114,206,711	41,456,527	40,662,783	156,138,890	154,869,494
Accumulated Depreciation	(122,612,518)	(118,142,888)	(60,027,180)	(57,722,929)	(182,639,698)	(175,865,817)
Total Net Capital Assets	<u>\$81,922,234</u>	<u>\$84,360,503</u>	<u>\$40,542,260</u>	<u>\$42,509,671</u>	<u>\$122,464,494</u>	<u>\$126,870,174</u>

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

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

Debt

The City had \$7,957,998 in Governmental Activities long-term debt and \$567,897 in Business-Type Activities long-term debt.

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

Table 4
Outstanding Debt at Year End

		2021	2020
Governmental Activities:			
<u>Bonds and Notes:</u>			
2017 Refunding of 2009 Various Purpose Golf & Just. Center	2.00%	2,925,000	3,250,000
Community Arts Center Refunding 2012	4.50%	0	1,420,000
Premium/(Discount)	n/a	252,998	314,582
2020 Refunding of Roadway Improvement Bonds - 2010A	3.74%	4,780,000	5,280,000
Total Bonds and Notes:		<u>\$7,957,998</u>	<u>\$10,264,582</u>
Business Type Activities:			
Various Purpose Refunding - 2012	3.66%	\$0	\$140,000
Premium on Various Purpose Water Refunding - 2012	n/a	0	7,360
OWDA Loans from Direct Borrowing	n/a	567,897	0
Total Business Type Activities		<u>\$567,897</u>	<u>\$147,360</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. See Note 9 to the notes to the basic financial statements for further details on the City’s long-term debt.

Economic Factors

Following the Great Recession (2007-2009), the City saw its main revenue source, income tax, stabilize and continue to see slight growth due to strong employment base. The City continued to see income tax growth in 2020, despite the economic conditions caused by the COVID-19 pandemic. In fact, 2020 was a banner year for economic growth in the City with numerous positive development announcements and milestones. The first two speculative industrial buildings at Fairfield Commerce Park were completed (totaling 550,000 square feet), and construction of the third building exceeding 615,000 square feet is now well underway. Hilco Vision, an major eye care accessory company, leased the first building and will create 200 jobs over the next two years. Another new industrial park was announced for the Seward Pointe property (another 550,000 square feet) and upgrades were made to the former Fisher Body plant to add 163,000 leasable square feet. Expansion of existing industrial companies also contributed to this growth, including projects at ART Metals Group, Pacific Manufacturing, and Koch Foods. These three expansions will retain 2,023 jobs and create 640 new jobs. The Koch Foods project alone represents a \$220 million investment. Koch Foods is already the City’s largest industrial employers (~1,200 jobs) and largest utility user. This project will also substantially increase water and sewer use at the property, providing additional utility revenue to the City.

Back in 2013, the City residents approved a reapportionment to replace the \$1,500,000 in lost revenue from cuts in local funding in the State operating budget and elimination of the estate tax. At that time the City apportioned the income tax to the General, Street Improvement and Capital funds. The reapportionment of the income tax beginning in 2013 became 1.2% to the General fund and 0.15% each

City of Fairfield, Ohio
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reapportionment should the General fund have available funds above the reserve balance, funds would be transferred back to the Street Improvement and Capital Improvement funds to replace the 0.05%. In 2021, the City replenished the revenue to the Street Improvement and Capital Improvement funds to fund the substantial five-year Capital Improvement Program. The City will continue to do so as long as income tax revenues are sufficient to maintain the General fund operations and reserves.

Contacting the City's Finance Department

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

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City of Fairfield, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$67,199,900	\$22,793,535	\$89,993,435
Restricted Cash	0	1,085,442	1,085,442
Receivables (Net):			
Taxes	16,960,557	0	16,960,557
Accounts	251,255	2,101,415	2,352,670
Interest	26,851	6,712	33,563
Intergovernmental	2,789,836	0	2,789,836
Inventory	0	212,989	212,989
Nondepreciable Capital Assets	22,364,974	2,234,635	24,599,609
Depreciable Capital Assets, Net	59,557,260	38,307,625	97,864,885
Net OPEB Asset	1,088,804	507,439	1,596,243
Total Assets	170,239,437	67,249,792	237,489,229
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	325,406	0	325,406
OPEB	5,660,552	550,908	6,211,460
	3,623,545	249,463	3,873,008
Total Deferred Outflows of Resources	9,609,503	800,371	10,409,874
Liabilities:			
Accounts Payable	515,147	1,006,517	1,521,664
Accrued Wages and Benefits	1,539,093	274,745	1,813,838
Contracts Payable	864,914	0	864,914
Retainage Payable	57,888	76,393	134,281
Accrued Interest Payable	14,423	23,722	38,145
Due to Other Governments	17,167	120,117	137,284
Claims Payable	174,220	985	175,205
Other Liabilities	0	245,892	245,892
Unearned Revenue	2,228,998	0	2,228,998
General Obligation Notes Payable	0	5,600,000	5,600,000
Long-Term Liabilities:			
Due Within One Year	2,183,879	333,515	2,517,394
Due In More Than One Year			
Net Pension Liability	34,335,373	4,055,752	38,391,125
Net OPEB Liability	3,983,897	0	3,983,897
Other Amounts	9,505,431	1,236,781	10,742,212
Total Liabilities	55,420,430	12,974,419	68,394,849
Deferred Inflows of Resources:			
Property Taxes	7,470,000	0	7,470,000
Grants and Other Taxes	280,577	0	280,577
Pension	6,876,316	1,990,539	8,866,855
OPEB	5,125,467	1,702,515	6,827,982
Total Deferred Inflows of Resources	19,752,360	3,693,054	23,445,414
Net Position:			
Net Investment in Capital Assets	74,289,642	34,374,363	108,664,005
Restricted for:			
Debt Service	1,818,818	0	1,818,818
Capital Projects	18,105,229	1,085,442	19,190,671
Street Construction and Maintenance	4,858,324	0	4,858,324
Court Services	5,170,477	0	5,170,477
Public Safety	3,826,759	0	3,826,759
Other Purposes	994,202	0	994,202
Unrestricted	(4,387,301)	15,922,885	11,535,584
Total Net Position	\$104,676,150	\$51,382,690	\$156,058,840

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$7,440,303	\$2,147,617	\$556,983	\$0
Public Safety	15,832,041	1,175,084	557,418	0
Community Development	1,015,903	1,303,478	0	281,702
Leisure Time Activities	3,173,971	178,846	0	0
Transportation and Street Repair	9,667,667	0	3,620,512	800,419
Basic Utility Service	488,930	0	0	0
Public Health and Welfare	22,183	0	0	0
Interest and Other Charges	220,424	0	0	0
Total Governmental Activities	37,861,422	4,805,025	4,734,913	1,082,121
Business-Type Activities:				
Water Utility	7,229,429	8,289,494	0	0
Sewer Utility	6,715,790	7,479,674	0	0
Solid Waste	2,486,619	2,487,148	0	0
Recreation	2,455,741	1,717,037	0	0
Total Business-Type Activities	18,887,579	19,973,353	0	0
Totals	\$56,749,001	\$24,778,378	\$4,734,913	\$1,082,121

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,735,703)	\$0	(\$4,735,703)
(14,099,539)	0	(14,099,539)
569,277	0	569,277
(2,995,125)	0	(2,995,125)
(5,246,736)	0	(5,246,736)
(488,930)	0	(488,930)
(22,183)	0	(22,183)
(220,424)	0	(220,424)
<u>(27,239,363)</u>	<u>0</u>	<u>(27,239,363)</u>
0	1,060,065	1,060,065
0	763,884	763,884
0	529	529
0	(738,704)	(738,704)
<u>0</u>	<u>1,085,774</u>	<u>1,085,774</u>
<u>(27,239,363)</u>	<u>1,085,774</u>	<u>(26,153,589)</u>
37,330,331	0	37,330,331
1,786,540	0	1,786,540
6,396,533	0	6,396,533
1,339,306	0	1,339,306
73,052	0	73,052
10,500	0	10,500
(34,539)	(23,156)	(57,695)
1,194,936	286,455	1,481,391
(490,000)	490,000	0
<u>47,606,659</u>	<u>753,299</u>	<u>48,359,958</u>
20,367,296	1,839,073	22,206,369
<u>84,308,854</u>	<u>49,543,617</u>	<u>133,852,471</u>
<u>\$104,676,150</u>	<u>\$51,382,690</u>	<u>\$156,058,840</u>

City of Fairfield, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	Fire Levy	American Rescue Plan Act	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Investments	\$28,447,644	\$3,497,337	\$2,228,998	\$11,209,816	\$18,581,873	\$63,965,668
Receivables (Net):						
Taxes	8,842,012	6,261,539	0	928,503	928,503	16,960,557
Accounts	251,255	0	0	0	0	251,255
Interest	16,110	2,685	0	4,699	2,014	25,508
Intergovernmental	634,302	200,236	0	0	1,955,298	2,789,836
Total Assets	38,191,323	9,961,797	2,228,998	12,143,018	21,467,688	83,992,824
Liabilities:						
Accounts Payable	382,924	39,087	0	0	68,104	490,115
Accrued Wages and Benefits	970,473	418,931	0	0	120,371	1,509,775
Compensated Absences	38,749	57,036	0	0	60,963	156,748
Contracts Payable	0	0	0	701,979	162,935	864,914
Retainage Payable	50,144	0	0	0	7,744	57,888
Due to Other Governments	17,167	0	0	0	0	17,167
Claims Payable	3,069	1,054	0	0	380	4,503
Unearned Revenue	0	0	2,228,998	0	0	2,228,998
Total Liabilities	1,462,526	516,108	2,228,998	701,979	420,497	5,330,108
Deferred Inflows of Resources:						
Property Taxes	1,413,989	6,261,539	0	0	0	7,675,528
Income Taxes	4,832,334	0	0	604,042	604,042	6,040,418
Grants and Other Taxes	470,873	191,171	0	0	1,686,428	2,348,472
Special Assessments	113,089	0	0	0	0	113,089
Accounts	138,166	0	0	0	0	138,166
Investment Earnings	7,954	1,326	0	2,320	994	12,594
Total Deferred Inflows of Resources	6,976,405	6,454,036	0	606,362	2,291,464	16,328,267
Fund Balances:						
Restricted	0	2,991,653	0	10,834,677	18,709,209	32,535,539
Assigned	409,318	0	0	0	46,518	455,836
Unassigned	29,343,074	0	0	0	0	29,343,074
Total Fund Balances	29,752,392	2,991,653	0	10,834,677	18,755,727	62,334,449
Total Liabilities, Deferred Inflows and Fund Bala	\$38,191,323	\$9,961,797	\$2,228,998	\$12,143,018	\$21,467,688	\$83,992,824

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2021

Total Governmental Fund Balance \$62,334,449

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

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

Capital assets used in the operation of Governmental Funds 81,922,234

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

Income Taxes	6,040,418	
Delinquent Property Taxes	205,528	
Interest	12,594	
Intergovernmental	2,067,895	
Other Receivables	<u>251,255</u>	
		8,577,690

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

Internal Service Net Position 2,174,194

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

(14,423)

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

Compensated Absences (3,462,951)

Deferred outflow of resources associated with long-term liabilities
 are not reported in the funds.

325,406

Deferred outflows and inflows or resources related to pensions
 and OPEB are applicable to future periods and, therefore, are
 not reported in the funds.

Deferred outflows of resources related to pensions	5,598,482	
Deferred inflows of resources related to pensions	(6,652,044)	
Deferred outflows of resources related to OPEB	3,595,438	
Deferred inflows of resources related to OPEB	<u>(4,933,646)</u>	
		(2,391,770)

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

Net OPEB Asset	1,031,631	
Net Pension Liability	(33,878,415)	
Net OPEB Liability	(3,983,897)	
Other Amounts	<u>(7,957,998)</u>	
		<u>(44,788,679)</u>

Net Position of Governmental Activities \$104,676,150

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, 2021

	General	Fire Levy	American Rescue Plan Act	Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$1,768,725	\$6,323,983	\$0	\$0	\$0	\$8,092,708
Income Taxes	28,543,807	0	0	3,584,165	3,584,165	35,712,137
Charges for Services	1,680,262	1,129,540	0	0	0	2,809,802
Investment Earnings	(19,651)	(2,076)	0	(2,144)	(12,374)	(36,245)
Intergovernmental	1,571,338	520,270	0	949,227	4,053,404	7,094,239
Special Assessments	71,754	0	0	0	0	71,754
Fines, Licenses & Permits	1,819,987	5,450	0	0	600,515	2,425,952
Revenue in Lieu of Taxes	0	0	0	0	73,052	73,052
Other Revenues	656,785	12,809	0	0	63,609	733,203
Total Revenues	36,093,007	7,989,976	0	4,531,248	8,362,371	56,976,602
Expenditures:						
Current:						
General Government	7,273,738	0	0	0	576,698	7,850,436
Public Safety	13,031,314	9,288,024	0	0	8,956	22,328,294
Community Development	1,443,679	0	0	0	0	1,443,679
Leisure Time Activities	2,659,881	0	0	0	104,991	2,764,872
Transportation and Street Repair	0	0	0	3,378,297	4,793,145	8,171,442
Basic Utility Service	488,930	0	0	0	0	488,930
Public Health and Welfare	20,595	0	0	0	1,588	22,183
Capital Outlay	57,618	420	0	0	2,588,829	2,646,867
Debt Service:						
Principal	0	0	0	0	2,245,000	2,245,000
Interest and Other Charges	0	0	0	0	223,264	223,264
Total Expenditures	24,975,755	9,288,444	0	3,378,297	10,542,471	48,184,967
Excess of Revenues Over (Under) Expenditures	11,117,252	(1,298,468)	0	1,152,951	(2,180,100)	8,791,635
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	8,747	0	0	0	47,361	56,108
Transfers In	0	0	0	504,993	4,167,385	4,672,378
Transfers (Out)	(5,322,378)	0	0	0	(140,000)	(5,462,378)
Total Other Financing Sources (Uses)	(5,313,631)	0	0	504,993	4,074,746	(733,892)
Net Change in Fund Balance	5,803,621	(1,298,468)	0	1,657,944	1,894,646	8,057,743
Fund Balance - Beginning of Year	23,948,771	4,290,121	0	9,176,733	16,861,081	54,276,706
Fund Balance - End of Year	\$29,752,392	\$2,991,653	\$0	\$10,834,677	\$18,755,727	\$62,334,449

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds \$8,057,743

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	2,763,498	
Depreciation Expense	<u>(4,972,378)</u>	(2,208,880)

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.

(229,389)

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

Pension Contributions	3,352,575	
Pension Expense	169,567	
OPEB Contributions	53,331	
OPEB Expense	<u>7,450,081</u>	11,025,554

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

Income Taxes	1,618,194	
Delinquent Property Taxes	90,365	
Interest	1,706	
Intergovernmental	64,031	
Other	<u>(32,180)</u>	1,742,116

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

2,245,000

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

5,419

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	39,192	
Amortization of Bond Premium	61,584	
Amortization of Deferred Charge on Refunding	<u>(64,163)</u>	36,613

(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, 2021

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

Change in Net Position - Internal Service Funds	<u>(306,880)</u>
Change in Net Position of Governmental Activities	<u>\$20,367,296</u>
See accompanying notes to the basic financial statements.	

City of Fairfield, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds		Internal Service Funds
Current Assets:					
Equity in Pooled Cash and Investments	\$9,748,309	\$11,461,546	\$1,583,680	\$22,793,535	\$3,234,232
Restricted Cash	1,085,442	0	0	1,085,442	0
Receivables (Net):					
Accounts	830,967	969,448	301,000	2,101,415	0
Interest	4,027	2,685	0	6,712	1,343
Inventory	203,958	0	9,031	212,989	0
Total Current Assets	11,872,703	12,433,679	1,893,711	26,200,093	3,235,575
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets	1,019,103	708,532	507,000	2,234,635	0
Depreciable Capital Assets, Net	16,846,707	19,157,951	2,302,967	38,307,625	0
Net OPEB Asset	216,988	214,660	75,791	507,439	57,173
Total Noncurrent Assets	18,082,798	20,081,143	2,885,758	41,049,699	57,173
Total Assets	29,955,501	32,514,822	4,779,469	67,249,792	3,292,748
Deferred Outflows of Resources:					
Pension	235,576	233,049	82,283	550,908	62,070
OPEB	106,674	105,529	37,260	249,463	28,107
Total Deferred Outflows of Resources	342,250	338,578	119,543	800,371	90,177
Liabilities:					
Current Liabilities:					
Accounts Payable	302,998	209,551	493,968	1,006,517	25,032
Accrued Wages and Benefits	120,629	126,855	27,261	274,745	29,318
Compensated Absences	111,044	162,628	59,843	333,515	12,944
Retainage Payable	0	76,393	0	76,393	0
Accrued Interest Payable	19,401	4,321	0	23,722	0
Due to Other Governments	0	120,117	0	120,117	0
Claims Payable	392	408	185	985	169,717
Other Liabilities	245,892	0	0	245,892	0
General Obligation Notes Payable	4,580,000	1,020,000	0	5,600,000	0
Total Current Liabilities	5,380,356	1,720,273	581,257	7,681,886	237,011
Long-Term Liabilities:					
Compensated Absences	279,994	369,355	19,535	668,884	98,669
Bonds, Notes & Loans Payable	0	567,897	0	567,897	0
Net Pension Liability	1,734,298	1,715,689	605,765	4,055,752	456,958
Total Noncurrent Liabilities	2,014,292	2,652,941	625,300	5,292,533	555,627
Total Liabilities	7,394,648	4,373,214	1,206,557	12,974,419	792,638
Deferred Inflows of Resources:					
Pension	851,183	842,050	297,306	1,990,539	224,272
OPEB	728,020	720,208	254,287	1,702,515	191,821
Total Deferred Inflows of Resources	1,579,203	1,562,258	551,593	3,693,054	416,093
Net Position:					
Net Investment in Capital Assets	13,285,810	18,278,586	2,809,967	34,374,363	0
Restricted for:					
Capital Projects	1,085,442	0	0	1,085,442	0
Unrestricted	6,952,648	8,639,342	330,895	15,922,885	2,174,194
Total Net Position	\$21,323,900	\$26,917,928	\$3,140,862	\$51,382,690	\$2,174,194

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities
	Water Utility	Sewer Utility	Other Enterprise Funds		Internal Service Funds
Operating Revenues:					
Charges for Services	\$8,289,494	\$7,479,674	\$4,204,185	\$19,973,353	\$8,705,478
Other Revenues	179,137	72,121	35,197	286,455	6,654
Total Operating Revenues	8,468,631	7,551,795	4,239,382	20,259,808	8,712,132
Operating Expenses:					
Personal Services	2,084,582	2,465,036	1,165,807	5,715,425	583,158
Contactual Services	3,183,805	2,068,461	3,177,491	8,429,757	8,366,860
Materials and Supplies	925,356	951,618	409,998	2,286,972	366,388
Depreciation	960,136	1,215,495	187,592	2,363,223	0
Total Operating Expenses	7,153,879	6,700,610	4,940,888	18,795,377	9,316,406
Operating Income (Loss)	1,314,752	851,185	(701,506)	1,464,431	(604,274)
Non-Operating Revenues (Expenses):					
Investment Earnings	(6,520)	(16,161)	(475)	(23,156)	(2,606)
Interest (Expense)	(75,550)	(15,180)	(1,472)	(92,202)	0
Total Non-Operating Revenues (Expenses)	(82,070)	(31,341)	(1,947)	(115,358)	(2,606)
Income (Loss) Before Contributions and Transfers	1,232,682	819,844	(703,453)	1,349,073	(606,880)
Transfers In	0	0	490,000	490,000	300,000
Change in Net Position	1,232,682	819,844	(213,453)	1,839,073	(306,880)
Net Position - Beginning of Year	20,091,218	26,098,084	3,354,315	49,543,617	2,481,074
Net Position - End of Year	\$21,323,900	\$26,917,928	\$3,140,862	\$51,382,690	\$2,174,194

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water Utility	Sewer Utility	Other Enterprise Funds	Total Business-Type Activities	Internal Service Funds
Cash Flows from Operating Activities:					
Cash Received from Customers	\$8,636,574	\$7,772,434	\$4,252,340	\$20,661,348	\$8,712,132
Cash Payments to Employees	(2,558,128)	(2,816,383)	(814,179)	(6,188,690)	(683,865)
Cash Payments to Suppliers	(3,931,549)	(3,132,716)	(3,509,260)	(10,573,525)	(385,275)
Cash Payments for Claims	0	0	0	0	(8,455,686)
Net Cash Provided (Used) by Operating Activities	2,146,897	1,823,335	(71,099)	3,899,133	(812,694)
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	490,000	490,000	300,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	490,000	490,000	300,000
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(227,913)	(155,716)	(12,183)	(395,812)	0
Debt Proceeds	4,580,000	1,586,759	0	6,166,759	0
Debt Principal Payments	(4,110,000)	(1,190,000)	(140,000)	(5,440,000)	0
Debt Interest Payments	(91,377)	(55,319)	(4,200)	(150,896)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	150,710	185,724	(156,383)	180,051	0
Cash Flows from Investing Activities:					
Earnings on Investments	(5,485)	(15,471)	(475)	(21,431)	(2,262)
Net Cash Provided (Used) by Cash Flows from Investing Activities	(5,485)	(15,471)	(475)	(21,431)	(2,262)
Net Increase (Decrease) in Cash and Cash Equivalents	2,292,122	1,993,588	262,043	4,547,753	(514,956)
Cash and Cash Equivalents - Beginning of Year	8,541,629	9,467,958	1,321,637	19,331,224	3,749,188
Cash and Cash Equivalents - End of Year	10,833,751	11,461,546	1,583,680	23,878,977	3,234,232
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	1,314,752	851,185	(701,506)	1,464,431	(604,274)
Adjustments:					
Depreciation	960,136	1,215,495	187,592	2,363,223	0
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	130,818	220,639	12,958	364,415	0
(Increase) Decrease in Inventory	103,903	0	3,968	107,871	0
(Increase) Decrease in Deferred Outflows of Resources	121,273	125,286	(29,789)	216,770	30,403
(Increase) Decrease in Net OPEB Asset	(216,988)	(214,660)	(75,791)	(507,439)	(57,173)
Increase (Decrease) in Claims Payable	(1,614)	(1,713)	(843)	(4,170)	(106,399)
Increase (Decrease) in Retainage Payable	0	76,393	0	76,393	0
Increase (Decrease) in Other Liabilities	(15,870)	0	0	(15,870)	0
Increase (Decrease) in Payables	126,704	(189,030)	74,261	11,935	(1,707)
Increase (Decrease) in Accrued Liabilities	(58,113)	96,067	3,892	41,846	(1,874)
Increase (Decrease) in Deferred Inflows of Resources	986,404	969,024	436,808	2,392,236	261,883
Increase (Decrease) in Net Pension Liability	(26,877)	(46,781)	264,743	191,085	(1,192)
Increase (Decrease) in Net OPEB Liability	(1,277,631)	(1,278,570)	(247,392)	(2,803,593)	(332,361)
Net Cash Provided (Used) by Operating Activities	\$2,146,897	\$1,823,335	(\$71,099)	\$3,899,133	(\$812,694)

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	\$207,490
Receivables (Net):	
Accounts	<u>192,220</u>
Total Assets	<u>399,710</u>
Liabilities:	
Accounts Payable	<u>105,693</u>
Total Liabilities	<u>105,693</u>
Net Position:	
Restricted for:	
Individuals, Organizations, and Other Governments	64,999
Economic Development	<u>229,018</u>
Total Net Position	<u><u>\$294,017</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2021

	Custodial Funds
Additions:	
Investment Earnings	\$29
Municipal Court Receipts	980,057
Joint Economic Development District Receipts	<u>1,868,736</u>
Total Additions	<u>2,848,822</u>
Deductions:	
Municipal Court Disbursements	1,079,350
Joint Economic Development District Disbursements	<u>1,879,162</u>
Total Deductions	<u>2,958,512</u>
Change in Net Position	(109,690)
Net Position - Beginning of Year	<u>403,707</u>
Net Position - End of Year	<u><u>\$294,017</u></u>

See accompanying notes to the basic financial statements.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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 16.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Fund Financial Statements

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding, pension, and other post employment benefits reported in the government-wide statement of net position and the proprietary statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, grants and other taxes, special assessments, investment revenue, pension, OPEB, and accounts revenues. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, while income taxes, special assessments, interest and accounts are only included on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 11 and 12.)

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

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

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2021 amounted to (\$19,651) in the general fund, (\$2,076) in the fire levy fund, (\$2,144) in the street improvement fund and (\$12,374) in other governmental funds.

Capital Assets

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

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

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

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

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

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

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

Restricted Assets

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

Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$35,859,251 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Interfund Activity

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

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

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

Gain/Loss on Refunding

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2021, \$36,522,871 of the City's bank balance of \$37,543,387 was exposed to custodial credit risk because it was uninsured and collateralized.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

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

Investments

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2021:

Investment Type	Fair Value Measurements Using		Net Asset Value*	Weighted Average Maturity (Years)
	Net Asset Value* / Fair Value	Significant Other Observable Inputs Level 2		
STAR Ohio*	\$4,175,170		\$4,175,170	7.70
Commercial Paper	7,441,096	\$7,441,096		13.80
Federal National Mortgage Association	1,479,514	1,479,514		2.70
Federal Farm Credit Bank	1,679,799	1,679,799		3.10
Federal Home Loan Bank	3,990,676	3,990,676		7.40
Negotiable Certificate of Deposit	5,884,849	5,884,849		10.90
Federal Home Loan Mortgage Corporation	3,265,799	3,265,799		6.10
Municipal Bonds	1,494,226	1,494,226		2.45
Money Market Funds	24,562,117		24,562,117	0.00
	<u>\$53,973,246</u>	<u>\$25,235,959</u>	<u>\$28,737,287</u>	
Portfolio Weighted Average Maturity				0.78

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs.

The above table identifies the City's recurring fair value measurements as of December 31, 2021. STAROhio is reported at its share price (Net Asset value per share) and there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 3% in Municipal Bonds, 3% in Federal National Mortgage Association, 6% in Federal Home Loan Mortgage Corporation, 3% in Federal Farm Credit Bank, 7% in Federal Home Loan Bank, 14% in Commercial Paper, 11% in Negotiable CDs, 8% in STAR Ohio, and 45% in Money Market Funds.

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

Note 4 – Receivables

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real estate and public utility. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Real Property	\$1,156,490,950
Public Utility	58,580,940
Total Valuation	<u><u>\$1,215,071,890</u></u>

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

The City receives property taxes from Butler County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

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

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

Note 5 – Risk Management

Description

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

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

Claim Liabilities

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

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Unpaid Claim Liabilities

The following represent the changes in workers compensation, dental, and health claims payable for the City from January 1, 2019 to December 31, 2021:

Claims Liability, 1/1/2019	\$305,813
Claims net of changes in estimates	3,947,632
Payments	<u>(3,948,447)</u>
Claims Liability, 12/31/2020	304,998
Claims net of changes in estimates	2,351,093
Payments	<u>(2,480,885)</u>
Claims Liability, 12/31/2021	<u><u>\$175,206</u></u>

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$19,535,340	\$1,713,122	\$0	\$21,248,462
Construction in Progress	2,686,171	435,348	2,005,007	1,116,512
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	48,603,905	463,561	0	49,067,466
Equipment	17,471,264	1,451,433	502,748	18,419,949
Infrastructure	<u>114,206,711</u>	<u>475,652</u>	<u>0</u>	<u>114,682,363</u>
Totals at Historical Cost	<u>202,503,391</u>	<u>4,539,116</u>	<u>2,507,755</u>	<u>204,534,752</u>
Less Accumulated Depreciation:				
Buildings and Improvements	30,928,871	1,409,144	0	32,338,015
Equipment	13,780,148	1,205,472	502,748	14,482,872
Infrastructure	<u>73,433,869</u>	<u>2,357,762</u>	<u>0</u>	<u>75,791,631</u>
Total Accumulated Depreciation	<u>118,142,888</u>	<u>4,972,378</u>	<u>502,748</u>	<u>122,612,518</u>
Governmental Activities Capital Assets, Net	<u><u>\$84,360,503</u></u>	<u><u>(\$433,262)</u></u>	<u><u>\$2,005,007</u></u>	<u><u>\$81,922,234</u></u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$1,641,949	\$95,000	\$0	\$1,736,949
Construction in Progress	1,310,617	173,126	986,057	497,686
Capital Assets, being depreciated:				
Buildings and Improvements	51,851,531	231,457	0	52,082,988
Equipment	4,765,720	88,542	58,972	4,795,290
Infrastructure	40,662,783	793,744	0	41,456,527
Totals at Historical Cost	<u>100,232,600</u>	<u>1,381,869</u>	<u>1,045,029</u>	<u>100,569,440</u>
Less Accumulated Depreciation:				
Buildings and Improvements	31,190,268	1,086,477	0	32,276,745
Equipment	3,642,533	250,055	58,972	3,833,616
Infrastructure	22,890,128	1,026,691	0	23,916,819
Total Accumulated Depreciation	<u>57,722,929</u>	<u>2,363,223</u>	<u>58,972</u>	<u>60,027,180</u>
Business-Type Activities Capital Assets, Net	<u>\$42,509,671</u>	<u>(\$981,354)</u>	<u>\$986,057</u>	<u>\$40,542,260</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$406,881
Public Safety	1,307,655
Leisure Time Activities	936,419
Community Development	6,964
Transportation	2,314,459
Total Depreciation Expense	<u>\$4,972,378</u>

Note 7 – Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

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

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

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

Note 8 – Notes Payable

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

		Beginning Balance	Issued	Retired	Ending Balance
Water Utility Fund:					
Various Purpose Series 2019	2.25%	2,310,000	0	2,310,000	0
Various Purpose Series 2019	2.25%	1,800,000	0	1,800,000	0
Various Purpose Series 2021	0.63%	0	1,980,000	0	1,980,000
Various Purpose Series 2021	0.63%	0	1,600,000	0	1,600,000
Various Purpose Series 2021	0.63%	0	1,000,000	0	1,000,000
Sewer Utility Fund:					
Various Purpose Series 2020	2.25%	1,190,000	0	1,190,000	0
Various Purpose Series 2021	0.63%	0	1,020,000	0	1,020,000
Total Notes Payable		<u>\$5,300,000</u>	<u>\$5,600,000</u>	<u>\$5,300,000</u>	<u>\$5,600,000</u>

The City issued a combined \$5,600,000 in short-term bond anticipation notes for the purpose of financing the City's cost of construction improvements to the water and sewer systems.

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

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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						
<u>General Obligation Bonds</u>						
2012 Community Arts Center	4.50%	\$1,420,000	\$0	(\$1,420,000)	\$0	\$0
Premium/Discount		314,582	0	(61,584)	252,998	0
2017 Refunding of 2009 Various Purpose Golf and Justice Center	2.00%	3,250,000	0	(325,000)	2,925,000	335,000
2020 Refunding of A Roadway Improvement Bonds	3.74%	5,280,000	0	(500,000)	4,780,000	505,000
Total General Obligation Bonds		10,264,582	0	(2,306,584)	7,957,998	840,000
Net Pension Liability:						
OPERS		14,209,860	0	(5,507,487)	8,702,373	0
OP&F		25,327,085	305,916	0	25,633,001	0
		39,536,945	305,916	(5,507,487)	34,335,374	0
Net OPEB Liability:						
OPERS		10,308,430	0	(10,308,430)	0	0
OP&F		3,713,692	270,205	0	3,983,897	0
Total Net Pension/OPEB Liability		14,022,122	270,205	(10,308,430)	3,983,897	0
Compensated Absences		3,887,176	1,292,753	(1,448,617)	3,731,312	1,343,879
Total Governmental Activities		\$67,710,825	\$1,868,874	(\$19,571,118)	\$50,008,581	\$2,183,879
Business Type Activities						
<u>General Obligation Bonds</u>						
2012 Various Purpose Recreation - Refunding Premium	3.66%	\$140,000	\$0	(\$140,000)	\$0	\$0
		7,360	0	(7,360)	0	0
Total General Obligation Bonds		147,360	0	(147,360)	0	0
OWDA Loans from Direct Borrowing		0	567,897	0	567,897	0
Net Pension Liability:						
OPERS		3,864,667	191,085	0	4,055,752	0
Net OPEB Liability:						
OPERS		2,803,593	0	(2,803,593)	0	0
Total Net Pension/OPEB Liability		6,668,260	191,085	(2,803,593)	4,055,752	0
Compensated Absences		968,579	311,481	(277,661)	1,002,399	333,515
Total Business-Type Activities		\$7,784,199	\$1,070,463	(\$3,228,614)	\$5,626,048	\$333,515

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. Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund, or an Enterprise Fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, the City will pay the net pension liability and the net OPEB liability obligations related to employee compensation from the fund(s) benefitting from their service.

The City's outstanding OWDA loans from direct borrowings of \$567,897 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate equal to the Contract Interest Rate plus three percentage points annum until the date of payment, and outstanding amounts become immediately due.

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

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2022	\$840,000	\$155,972
2023	865,000	144,280
2024	860,000	132,232
2025	870,000	111,634
2026	900,000	97,770
2027-2030	3,370,000	168,132
Total	<u>\$7,705,000</u>	<u>\$810,020</u>

Note 10 – Defeasance of Bonds

Special Assessment Bonds

The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 2021 was \$183,998. Bonds are issued for the purpose of providing funds to pay the property owners share of the cost of sidewalk repairs in the City. The transaction has been eliminated for the financial statement purposes by removing any proceeds from the issuance of debt from the operating statement and the investment.

Note 11 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2021

the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees may pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2021

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy

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

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2021, the City's contractually required contribution was \$1,732,985, of this amount \$144,846 is reported in accrued wages and benefits.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

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

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

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

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

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

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

City of Fairfield, Ohio
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For the Fiscal Year Ended December 31, 2021

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

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$2,285,900 for 2021, of this amount \$179,859 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City’s defined benefit pension plans:

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$12,758,124	\$25,633,001	\$38,391,125
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08615800%	0.37604090%	
Prior Measurement Date	0.09144400%	0.37596610%	
Change in Proportionate Share	-0.00528600%	0.00007480%	
Pension Expense	(\$418,569)	\$2,327,564	\$1,908,995

At December 31 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$1,071,546	\$1,071,546
Changes in assumptions	0	429,878	429,878
Changes in employer proportionate share of net pension liability	0	744,482	744,482
Contributions subsequent to the measurement date	1,732,985	2,232,569	3,965,554
Total Deferred Outflows of Resources	\$1,732,985	\$4,478,475	\$6,211,460
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$533,683	\$998,585	\$1,532,268
Net difference between projected and actual earnings on pension plan investments	4,972,744	1,243,370	6,216,114
Changes in employer proportionate share of net pension liability	755,185	363,287	1,118,472
Total Deferred Inflows of Resources	\$6,261,612	\$2,605,242	\$8,866,854

\$3,965,554 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending	OPERS		
December 31:	Traditional Plan	OPF	Total
2022	(\$2,609,336)	\$121,880	(\$2,487,456)
2023	(947,009)	745,929	(201,080)
2024	(2,027,059)	(1,123,599)	(3,150,658)
2025	(678,208)	(150,756)	(828,964)
2026	0	47,210	47,210
Total	(\$6,261,612)	(\$359,336)	(\$6,620,948)

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% to 10.75% including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, simple
Post-January 7, 2013 Retirees	0.50%, simple through 2021, then 2.15%, simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$24,336,189	\$12,758,124	\$3,130,982

Changes from the Measurement Date to the Report Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

*levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the

City of Fairfield, Ohio
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members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$35,684,420	\$25,633,001	\$17,220,977

Note 12 – Postemployment Benefits

See Note 11 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

City of Fairfield, Ohio
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Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy

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

City of Fairfield, Ohio
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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Funding Policy

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$53,331 for 2021.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

City of Fairfield, Ohio
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	OPERS		Total
	Traditional Plan	OPF	
Proportionate Share of the:			
Net OPEB (Asset)	(\$1,596,242)		(\$1,596,242)
Net OPEB Liability		\$3,983,897	\$3,983,897
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08959700%	0.37601090%	
Prior Measurement Date	0.09492800%	0.37596610%	
Change in Proportionate Share	<u>-0.00533100%</u>	<u>0.00004480%</u>	
OPEB Expense	(\$10,100,364)	\$575,318	(\$9,525,046)

At December 31 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
<u>Deferred Outflows of Resources</u>			
Changes in assumptions	\$784,731	\$2,200,886	\$2,985,617
Changes in employer proportionate share of net OPEB liability (asset)	0	834,060	834,060
Contributions subsequent to the measurement date	0	53,331	53,331
Total Deferred Outflows of Resources	<u>\$784,731</u>	<u>\$3,088,277</u>	<u>\$3,873,008</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,440,599	\$657,130	\$2,097,729
Changes in assumptions	2,586,391	635,107	3,221,498
Net difference between projected and actual earnings on OPEB plan investments	850,181	148,049	998,230
Changes in employer proportionate share of net OPEB liability (asset)	478,407	32,118	510,525
Total Deferred Inflows of Resources	<u>\$5,355,578</u>	<u>\$1,472,404</u>	<u>\$6,827,982</u>

\$53,331 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2022	(\$2,440,553)	\$362,605	(\$2,077,948)
2023	(1,660,662)	397,663	(1,262,999)
2024	(369,454)	342,392	(27,062)
2025	(100,178)	337,316	237,138
2023	0	62,970	62,970
Thereafter	0	59,596	59,596
Total	<u>(\$4,570,847)</u>	<u>\$1,562,542</u>	<u>(\$3,008,305)</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate:	
Current measurement date	8.50%, initial 3.50%, ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

	1% Decrease <u>(5.00%)</u>	Current Discount Rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
Proportionate share of the net OPEB (asset)	(\$396,915)	(\$1,596,242)	(\$2,582,186)

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,635,145)	(\$1,596,242)	(\$1,552,716)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Blended discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.5x

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

Discount Rate

For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
Proportionate share of the net OPEB liability	\$4,967,692	\$3,983,897	\$3,172,381

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

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

Note 13 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

<u>Project</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
Wastewater Treatment Plant Multi-Purpose Facility	\$650,568	\$1,913,400
Winton/S gilmore/I-275 Ramp Y Improvements	0	728,501
Harbin Park Overlook Renovation	84,000	595,040
Harbin Park Restroom Structure	0	567,000
Harbin Park Pavilion Structure	0	220,495
Total	<u>\$734,568</u>	<u>\$4,024,436</u>

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

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

<u>Fund</u>	<u>Amount</u>
General	\$792,242
Fire Levy	28,823
Street Improvement	1,310,238
Water Utility	897,718
Sewer Utility	3,467,359
Nonmajor Funds	2,966,686
Total	<u>\$9,463,065</u>

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Note 14 – 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, 2021, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 15 – Interfund Activity

Transfers in and out for the year ended December 31, 2021, consisted of the following:

	Transfers	
	In	Out
Major Funds:		
General	\$0	\$5,322,378
Street Improvement	504,993	0
Internal Service	300,000	0
Other Governmental Funds	4,167,385	140,000
Other Enterprise Funds	490,000	0
Totals	<u>\$5,462,378</u>	<u>\$5,462,378</u>

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

The City made transfers from General Bond Retirement to the Recreation Facilities fund for debt payments. This is in compliance with the ORC.

Note 16 – Joint Venture

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

A 1.0% income tax was enacted for the JEDD. Imposition of tax began on September 15, 2010 and terminates December 31, 2049, with three five year extensions.

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

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

Distribution of Gross Tax:

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

Net Distribution for the first 120 months of the contract:

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

Net Distribution after the first 120 months of the contract:

- 90% West Chester Township
- 10% City of Fairfield

Note 17 – Accountability

Accountability

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

Municipal Garage	\$879,735
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The deficits in fund balances were primarily due to accrual in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

Note 18 – Fund Balances

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

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City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

Fund Balances	General	Fire Levy	American Rescue Plan Act	Street Improvement	Other Governmental Funds	Total
Restricted for:						
Street Improvements	\$0	\$0	\$0	\$10,834,677	\$4,100,508	\$14,935,185
County Motor Vehicle Registration	0	0	0	0	195,151	195,151
Probation Services	0	0	0	0	2,642,111	2,642,111
Court Computer	0	0	0	0	974,018	974,018
Special Projects	0	0	0	0	395,020	395,020
Mediation Services	0	0	0	0	799,993	799,993
Tax Recreation	0	0	0	0	30,928	30,928
Law Enforcement	0	0	0	0	323,645	323,645
Drug and Alcohol Treatment	0	0	0	0	146,826	146,826
Capital Improvements	0	0	0	0	6,106,408	6,106,408
TIF Monies	0	0	0	0	359,335	359,335
Debt Service	0	0	0	0	1,818,818	1,818,818
Municipal Motor Vehicle Registration	0	0	0	0	373,974	373,974
Fire Levy	0	2,991,653	0	0	0	2,991,653
Indigent Driver Interlock	0	0	0	0	442,474	442,474
Total Restricted	0	2,991,653	0	10,834,677	18,709,209	32,535,539
Assigned to:						
Debt Service	0	0	0	0	4,284	4,284
Downtown Development	0	0	0	0	42,234	42,234
Purchases on Order	409,318	0	0	0	0	409,318
Total Assigned	409,318	0	0	0	46,518	455,836
Unassigned (Deficit)	29,343,074	0	0	0	0	29,343,074
Total Fund Balance	\$29,752,392	\$2,991,653	\$0	\$10,834,677	\$18,755,727	\$62,334,449

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

Note 19 – Tax Abatements

As of December 31, 2021, the City provides tax abatements through the Community Reinvestment Area (CRA) and the Ohio Enterprise Zone Areas:

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

The Ohio Enterprise Zone Areas are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments. EZAs are not part of the traditional zoning program, which limits the use of land, instead they allow local officials to negotiate with businesses to encourage new business investment in the zone. The EZA serves as an additional economic development tool for communities attempting to retain and expand their economic base. The EZA is a contract between

City of Fairfield, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2021

the City and the company. The zone's geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the director of the Development Services Agency. The director must then certify the area for it to become an active Enterprise Zone. Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins. Businesses interested in pursuing these incentives should contact the local Enterprise Zone Manager.

Tax Abatement Programs	City's Share of Taxes Abated
Community Reinvestment Area	\$78,520

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

Note 20 – Implementations of new Accounting Principles

For fiscal year 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period and GASB Statement No. 98, The Annual Comprehensive Financial Report.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Interest costs incurred before the end of a construction period are recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In Financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.08615800%	0.09144400%	0.09202500%	0.09437100%	0.09178900%
City's Proportionate Share of the Net Pension Liability	\$12,758,124	\$18,074,527	\$25,203,781	\$14,804,980	\$20,843,721
City's Covered Payroll	\$12,200,179	\$12,865,186	\$12,429,671	\$12,472,869	\$11,859,208
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.57%	140.49%	202.77%	118.70%	175.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

2016	2015	2014
0.09411200%	0.09360400%	0.09360400%
\$16,301,385	\$11,289,688	\$11,034,692
\$14,007,367	\$11,513,875	\$13,291,146
116.38%	98.05%	83.02%
81.08%	86.45%	86.36%

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.37601090%	0.37596610%	0.38235400%	0.37500000%	0.34855900%
City's Proportionate Share of the Net Pension Liability	\$25,633,001	\$25,327,085	\$31,210,190	\$23,015,444	\$22,077,377
City's Covered Payroll	\$9,449,453	\$8,871,448	\$9,479,421	\$8,719,700	\$8,314,016
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	271.26%	285.49%	329.24%	263.95%	265.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

2016	2015	2014
0.35860500%	0.35010860%	0.35010860%
\$23,069,311	\$18,137,085	\$17,051,388
\$7,832,215	\$7,196,375	\$8,559,063
294.54%	252.03%	199.22%
66.77%	72.20%	73.00%

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$1,732,985	\$1,708,025	\$1,801,126	\$1,740,154	\$1,621,473
Contributions in Relation to the Contractually Required Contribution	<u>(1,732,985)</u>	<u>(1,708,025)</u>	<u>(1,801,126)</u>	<u>(1,740,154)</u>	<u>(1,621,473)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$12,378,464	\$12,200,179	\$12,865,186	\$12,429,671	\$12,472,869
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$1,423,105	\$1,680,884	\$1,381,665
<u>(1,423,105)</u>	<u>(1,680,884)</u>	<u>(1,381,665)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,859,208	\$14,007,367	\$11,513,875
12.00%	12.00%	12.00%

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$2,232,569	\$2,002,339	\$1,874,537	\$1,801,090	\$1,656,743
Contributions in Relation to the Contractually Required Contribution	<u>(2,232,569)</u>	<u>(2,002,339)</u>	<u>(1,874,537)</u>	<u>(1,801,090)</u>	<u>(1,656,743)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$10,526,021	\$9,449,453	\$8,871,448	\$9,479,421	\$8,719,700
Contributions as a Percentage of Covered Payroll	21.21%	21.19%	21.13%	19.00%	19.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$1,579,663	\$1,573,492	\$1,465,182
<u>(1,579,663)</u>	<u>(1,573,492)</u>	<u>(1,465,182)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$8,314,016	\$7,832,215	\$7,196,375
19.00%	20.09%	20.36%

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability (Asset)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.08959700%	0.09492800%	0.09575000%	0.09893000%	0.09633508%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,596,242)	\$3,713,692	\$12,483,539	\$10,743,069	\$9,730,170
City's Covered Payroll	\$12,200,179	\$12,865,186	\$12,429,671	\$12,472,869	\$11,859,208
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-13.08%	28.87%	100.43%	86.13%	82.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.57%	47.80%	46.33%	54.14%	54.04%

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

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 Ohio Police and Fire Pension Fund
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.37601090%	0.37596610%	0.38235400%	0.37500000%	0.34855900%
City's Proportionate Share of the Net OPEB Liability	\$3,983,897	\$3,713,692	\$3,481,920	\$21,246,975	\$16,545,312
City's Covered Payroll	\$9,449,453	\$8,871,448	\$9,479,421	\$8,719,700	\$8,314,016
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.16%	41.86%	36.73%	243.67%	199.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.10%	46.57%	14.13%	15.96%

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

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Six Fiscal Years (1)

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$158,493
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	(158,493)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$12,378,464	\$12,200,179	\$12,865,186	\$12,429,671	\$12,472,869
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.27%

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

Note:

See accompanying notes to the required supplementary information.

=====

2016

=====

\$206,425

(206,425)

=====

\$0

=====

\$11,859,208

1.74%

City of Fairfield, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Police and Fire Pension Fund
 Last Six Fiscal Years (1)

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$53,331	\$48,315	\$45,399	\$43,704	\$41,290
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(53,331)</u>	<u>(48,315)</u>	<u>(45,399)</u>	<u>(43,704)</u>	<u>(41,290)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$10,526,021	\$9,449,453	\$8,871,448	\$9,479,421	\$8,719,700
Contributions to OPEB as a Percentage of Covered Payroll	0.51%	0.51%	0.51%	0.46%	0.47%

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

Note:

See accompanying notes to the required supplementary information.

=====
2016

\$38,147

(38,147)

=====
\$0

\$8,314,016

0.46%

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$26,575,025	\$30,697,222	\$30,974,071	\$276,849
Licenses & Permits	284,750	284,750	611,256	326,506
Intergovernmental	1,041,735	1,041,735	1,481,506	439,771
Charges for Services	833,654	833,654	1,036,062	202,408
Court Costs & Fines	896,500	896,500	1,208,731	312,231
Special Assessments	27,000	27,000	71,754	44,754
Investment Earnings	150,000	150,000	92,296	(57,704)
Other Revenues	1,237,000	1,237,000	1,414,485	177,485
Total Revenues	31,045,664	35,167,861	36,890,161	1,722,300
Expenditures:				
Current:				
<u>General Government</u>				
City Council				
Personnel Related	199,679	202,179	201,657	522
Other	23,365	23,365	11,098	12,267
Total City Council	223,044	225,544	212,755	12,789
Mayor				
Personnel Related	11,324	11,324	11,189	135
Other	2,500	2,500	565	1,936
Total Mayor	13,824	13,824	11,753	2,071
Administration				
Personnel Related	490,007	490,007	486,436	3,571
Other	35,179	35,179	13,706	21,473
Total Administration	525,186	525,186	500,142	25,044
General Services				
Personnel Related	67,072	66,059	44,984	21,075
Other	4,562,754	3,444,152	2,842,538	601,614
Total General Services	4,629,826	3,510,211	2,887,522	622,689
Law				
Personnel Related	500	500	252	248
Other	563,050	563,050	562,944	106
Total Law	563,550	563,550	563,196	354
Human Resources				
Personnel Related	260,373	260,373	229,896	30,477
Other	104,188	97,262	89,597	7,665
Total Human Resources	364,561	357,635	319,494	38,141
Finance Administration & Accounting				
Personnel Related	660,371	660,371	642,636	17,735
Other	30,067	30,028	19,397	10,631
Total Finance Administration & Accounting	690,438	690,399	662,033	28,366
Income Tax				
Personnel Related	636,452	636,452	480,548	155,904
Other	85,658	88,532	86,980	1,552
Total Income Tax	722,110	724,984	567,528	157,456

Continued

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Information Technology				
Personnel Related	505,277	537,277	534,856	2,421
Other	92,142	90,549	78,364	12,185
Total Information Technology	597,419	627,826	613,220	14,606
Municipal Court				
Personnel Related	1,552,925	1,552,925	1,348,182	204,743
Other	292,690	300,706	261,324	39,382
Total Municipal Court	1,845,615	1,853,631	1,609,506	244,125
Public Works Administration				
Personnel Related	790,534	790,534	658,578	131,956
Other	153,465	153,465	121,247	32,218
Total Public Works Administration	943,999	943,999	779,824	164,175
Construction Services				
Other	11,640	11,587	11,587	0
Total Construction Services	11,640	11,587	11,587	0
Municipal Building				
Personnel Related	213,036	212,636	208,406	4,230
Other	203,286	203,736	189,832	13,904
Total Municipal Building	416,322	416,372	398,238	18,134
Total General Government	11,547,535	10,464,748	9,136,798	1,327,950
<u>Public Safety</u>				
Police				
Personnel Related	11,751,378	11,751,378	11,435,526	315,852
Other	947,140	953,650	794,379	159,271
Total Police	12,698,518	12,705,028	12,229,905	475,123
Justice Center				
Other	962,725	1,191,116	1,143,583	47,533
Total Justice Center	962,725	1,191,116	1,143,583	47,533
Total Public Safety	13,661,244	13,896,144	13,373,489	522,655
<u>Community Development</u>				
Planning & Economic Development				
Personnel Related	631,499	631,499	585,690	45,809
Other	50,335	50,335	39,889	10,446
Total Planning & Economic Development	681,834	681,834	625,579	56,255
Building & Zoning Inspection				
Personnel Related	783,551	782,751	753,776	28,975
Other	78,218	78,726	64,955	13,771
Total Building & Zoning Inspection	861,769	861,477	818,731	42,746
Total Community Development	1,543,603	1,543,311	1,444,310	99,001

Continued

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Leisure Time Activities</u>				
Parks & Recreation Administration				
Personnel Related	821,721	821,721	764,568	57,153
Other	148,320	148,208	94,937	53,271
Total Parks & Recreation Administration	<u>970,041</u>	<u>969,929</u>	<u>859,505</u>	<u>110,424</u>
Parks Maintenance Operations				
Personnel Related	903,732	902,332	893,163	9,169
Other	419,978	417,022	372,285	44,737
Total Parks Maintenance Operations	<u>1,323,710</u>	<u>1,319,354</u>	<u>1,265,449</u>	<u>53,905</u>
Marsh Park Fishing Lake				
Personnel Related	35,385	42,385	41,581	804
Other	41,438	41,400	29,134	12,266
Total Marsh Park Fishing Lake	<u>76,823</u>	<u>83,785</u>	<u>70,715</u>	<u>13,070</u>
Community Arts Center				
Personnel Related	189,336	189,336	168,509	20,827
Other	573,684	577,627	459,389	118,238
Total Community Arts Center	<u>763,020</u>	<u>766,963</u>	<u>627,898</u>	<u>139,065</u>
Total Leisure Time Activities	<u>3,133,593</u>	<u>3,140,031</u>	<u>2,823,566</u>	<u>316,465</u>
Capital Outlay	<u>20,000</u>	<u>196,958</u>	<u>181,558</u>	<u>15,401</u>
Total Expenditures	<u>29,905,975</u>	<u>29,241,192</u>	<u>26,959,721</u>	<u>2,281,471</u>
Excess of Revenues Over (Under) Expenditures	<u>1,139,689</u>	<u>5,926,669</u>	<u>9,930,441</u>	<u>4,003,772</u>
Other Financing Sources (uses):				
Proceeds from Sale of Capital Assets	0	0	8,747	8,747
Transfers (Out)	0	(5,322,378)	(5,322,378)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(5,322,378)</u>	<u>(5,313,631)</u>	<u>8,747</u>
Net Change in Fund Balance	1,139,689	604,291	4,616,810	4,012,519
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>22,498,879</u>	<u>22,498,879</u>	<u>22,498,879</u>	<u>0</u>
Fund Balance End of Year	<u>\$23,638,569</u>	<u>\$23,103,170</u>	<u>\$27,115,689</u>	<u>\$4,012,519</u>

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$6,150,000	\$6,146,000	\$6,323,983	\$177,983
Licenses & Permits	5,500	5,500	5,450	(50)
Intergovernmental	528,000	600,000	540,041	(59,959)
Charges for Services	1,100,000	1,100,000	1,129,540	29,540
Investment Earnings	10,000	10,000	14,922	4,922
Other Revenues	3,000	3,000	12,809	9,809
Total Revenues	<u>7,796,500</u>	<u>7,864,500</u>	<u>8,026,744</u>	<u>162,244</u>
Expenditures:				
Public Safety				
Fire Suppression				
Personnel Related	6,939,279	8,589,279	8,298,561	290,718
Other	913,844	993,825	959,453	34,372
Total Fire Suppression	<u>7,853,123</u>	<u>9,583,104</u>	<u>9,258,014</u>	<u>325,090</u>
Total Expenditures	<u>7,853,123</u>	<u>9,583,104</u>	<u>9,258,014</u>	<u>325,090</u>
Excess of Revenues Over (Under) Expenditures	<u>(56,623)</u>	<u>(1,718,604)</u>	<u>(1,231,270)</u>	<u>487,334</u>
Net Change in Fund Balance	(56,623)	(1,718,604)	(1,231,270)	487,334
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,707,306</u>	<u>4,707,306</u>	<u>4,707,306</u>	<u>0</u>
Fund Balance End of Year	<u>\$4,650,683</u>	<u>\$2,988,702</u>	<u>\$3,476,036</u>	<u>\$487,334</u>

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	America Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$2,228,998	\$2,228,998	\$0
Total Revenues	0	2,228,998	2,228,998	0
Expenditures:				
General Government				
Personnel Related	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	2,228,998	2,228,998	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$2,228,998	\$2,228,998	\$0

See accompanying notes to the required supplementary information.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Note 1 – Budgetary Process

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

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

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

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General, Fire Levy and American Rescue Plan Act funds.

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Net Change in Fund Balance

	General	Fire Levy	American Rescue Plan Act
GAAP Basis	\$5,803,621	(\$1,298,468)	\$0
Revenue Accruals	797,155	36,768	2,228,998
Expenditure Accruals	(1,191,723)	59,253	0
Encumbrances	(792,243)	(28,823)	0
Budget Basis	<u>\$4,616,810</u>	<u>(\$1,231,270)</u>	<u>\$2,228,998</u>

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

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

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

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

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

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for this period.

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

Changes in assumptions:

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

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

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

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

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.5 percent to 8.5 percent.

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

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.
- The initial health care cost trend rate increased from 10.0 percent to 10.5 percent.

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

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

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

Changes in Benefit Terms:

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

City of Fairfield, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

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

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

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

Changes in assumptions:

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

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

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

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

Changes in benefit terms:

2021-2020: There were no changes in benefit terms for the period.

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUND

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

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,258,766	\$3,650,668	(\$608,098)
Intergovernmental	315,311	949,227	633,916
Investment Earnings	25,000	26,099	1,099
Other Revenues	25,000	0	(25,000)
Total Revenues	<u>4,624,077</u>	<u>4,625,994</u>	<u>1,917</u>
Expenditures:			
Capital Outlay	<u>4,625,746</u>	<u>4,214,799</u>	<u>410,947</u>
Total Expenditures	<u>4,625,746</u>	<u>4,214,799</u>	<u>410,947</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,669)</u>	<u>411,195</u>	<u>412,864</u>
Other Financing Sources (uses):			
Transfers In	1,074,689	1,074,689	0
Transfers (Out)	<u>(569,696)</u>	<u>(569,696)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>504,993</u>	<u>504,993</u>	<u>0</u>
Net Change in Fund Balance	503,324	916,188	412,864
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,996,746</u>	<u>8,996,746</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$9,500,070</u></u>	<u><u>\$9,912,934</u></u>	<u><u>\$412,864</u></u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$10,764,251	\$1,823,102	\$5,994,520	\$18,581,873
Receivables (Net):				
Taxes	0	0	928,503	928,503
Interest	1,343	0	671	2,014
Intergovernmental	1,674,721	280,577	0	1,955,298
Total Assets	12,440,315	2,103,679	6,923,694	21,467,688
Liabilities:				
Accounts Payable	68,104	0	0	68,104
Accrued Wages and Benefits	120,371	0	0	120,371
Compensated Absences	60,963	0	0	60,963
Contracts Payable	0	0	162,935	162,935
Retainage Payable	0	0	7,744	7,744
Claims Payable	380	0	0	380
Total Liabilities	249,818	0	170,679	420,497
Deferred Inflows of Resources:				
Income Taxes	0	0	604,042	604,042
Grants and Other Taxes	1,405,851	280,577	0	1,686,428
Investment Earnings	663	0	331	994
Total Deferred Inflows of Resources	1,406,514	280,577	604,373	2,291,464
Fund Balances:				
Restricted	10,783,983	1,818,818	6,106,408	18,709,209
Assigned	0	4,284	42,234	46,518
Total Fund Balances	10,783,983	1,823,102	6,148,642	18,755,727
Total Liabilities, Deferred Inflows and Fund Balances	\$12,440,315	\$2,103,679	\$6,923,694	\$21,467,688

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$0	\$3,584,165	\$3,584,165
Investment Earnings	(9,582)	(343)	(2,449)	(12,374)
Intergovernmental	3,740,639	0	312,765	4,053,404
Fines, Licenses & Permits	600,515	0	0	600,515
Revenue in Lieu of Taxes	73,052	0	0	73,052
Other Revenues	13,151	0	50,458	63,609
Total Revenues	4,417,775	(343)	3,944,939	8,362,371
Expenditures:				
Current:				
General Government	575,698	1,000	0	576,698
Public Safety	8,956	0	0	8,956
Leisure Time Activities	0	0	104,991	104,991
Transportation and Street Repair	3,368,836	0	1,424,309	4,793,145
Public Health and Welfare	1,588	0	0	1,588
Capital Outlay	283,867	0	2,304,962	2,588,829
Debt Service:				
Principal	0	2,245,000	0	2,245,000
Interest and Other Charges	0	223,264	0	223,264
Total Expenditures	4,238,945	2,469,264	3,834,262	10,542,471
Excess of Revenues Over (Under) Expenditures	178,830	(2,469,607)	110,677	(2,180,100)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	47,361	47,361
Transfers In	750,000	2,603,171	814,214	4,167,385
Transfers (Out)	0	(140,000)	0	(140,000)
Total Other Financing Sources (Uses)	750,000	2,463,171	861,575	4,074,746
Net Change in Fund Balance	928,830	(6,436)	972,252	1,894,646
Fund Balance - Beginning of Year	9,855,153	1,829,538	5,176,390	16,861,081
Fund Balance - End of Year	\$10,783,983	\$1,823,102	\$6,148,642	\$18,755,727

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Coronavirus Relief - A fund used to provide emergency relief grants to Cities related to the COVID-19 pandemic.

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City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$3,765,082	\$272,511	\$195,151	\$30,928	\$211,408
Receivables (Net):					
Interest	1,343	0	0	0	0
Intergovernmental	1,383,803	112,979	0	0	0
Total Assets	5,150,228	385,490	195,151	30,928	211,408
Liabilities:					
Accounts Payable	38,898	0	0	0	0
Accrued Wages and Benefits	68,209	10,723	0	0	0
Compensated Absences	60,963	0	0	0	0
Claims Payable	328	0	0	0	0
Total Liabilities	168,398	10,723	0	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	1,160,549	94,877	0	0	0
Investment Earnings	663	0	0	0	0
Total Deferred Inflows of Resources	1,161,212	94,877	0	0	0
Fund Balances:					
Restricted	3,820,618	279,890	195,151	30,928	211,408
Total Fund Balances	3,820,618	279,890	195,151	30,928	211,408
Total Liabilities, Deferred Inflows and Fund Balances	\$5,150,228	\$385,490	\$195,151	\$30,928	\$211,408

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$364,077	\$63,417	\$149,036	\$48,820	\$2,667,452	\$996,719	\$397,520
0	0	0	0	0	0	0
177,939	0	0	0	0	0	0
<u>542,016</u>	<u>63,417</u>	<u>149,036</u>	<u>48,820</u>	<u>2,667,452</u>	<u>996,719</u>	<u>397,520</u>
0	0	2,210	0	3,967	22,701	0
17,617	0	0	0	21,322	0	2,500
0	0	0	0	0	0	0
0	0	0	0	52	0	0
<u>17,617</u>	<u>0</u>	<u>2,210</u>	<u>0</u>	<u>25,341</u>	<u>22,701</u>	<u>2,500</u>
150,425	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>150,425</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>373,974</u>	<u>63,417</u>	<u>146,826</u>	<u>48,820</u>	<u>2,642,111</u>	<u>974,018</u>	<u>395,020</u>
<u>373,974</u>	<u>63,417</u>	<u>146,826</u>	<u>48,820</u>	<u>2,642,111</u>	<u>974,018</u>	<u>395,020</u>
<u>\$542,016</u>	<u>\$63,417</u>	<u>\$149,036</u>	<u>\$48,820</u>	<u>\$2,667,452</u>	<u>\$996,719</u>	<u>\$397,520</u>

Continued

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Coronavirus Relief	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	\$799,993	\$359,335	\$442,802	\$0	\$10,764,251
Receivables (Net):					
Interest	0	0	0	0	1,343
Intergovernmental	0	0	0	0	1,674,721
Total Assets	799,993	359,335	442,802	0	12,440,315
Liabilities:					
Accounts Payable	0	0	328	0	68,104
Accrued Wages and Benefits	0	0	0	0	120,371
Compensated Absences	0	0	0	0	60,963
Claims Payable	0	0	0	0	380
Total Liabilities	0	0	328	0	249,818
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	1,405,851
Investment Earnings	0	0	0	0	663
Total Deferred Inflows of Resources	0	0	0	0	1,406,514
Fund Balances:					
Restricted	799,993	359,335	442,474	0	10,783,983
Total Fund Balances	799,993	359,335	442,474	0	10,783,983
Total Liabilities, Deferred Inflows and Fund Balances	\$799,993	\$359,335	\$442,802	\$0	\$12,440,315

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City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2021

	Street Construction, Maintenance and Repair	State Highway Improvement	County Motor Vehicle Registration	Tax Recreation	Law Enforcement
Revenues:					
Investment Earnings	(\$888)	\$0	\$0	\$78	\$0
Intergovernmental	2,856,690	229,491	225,000	0	3,948
Fines, Licenses & Permits	0	0	0	1,750	34,870
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	13,151	0	0	0	0
Total Revenues	2,868,953	229,491	225,000	1,828	38,818
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	8,956
Transportation and Street Repair	2,896,134	149,900	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	6,857	0	176,635	0	57,839
Total Expenditures	2,902,991	149,900	176,635	0	66,795
Excess of Revenues Over (Under) Expenditures	(34,038)	79,591	48,365	1,828	(27,977)
Other Financing Sources (Uses):					
Transfers In	750,000	0	0	0	0
Total Other Financing Sources (Uses)	750,000	0	0	0	0
Net Change in Fund Balance	715,962	79,591	48,365	1,828	(27,977)
Fund Balance - Beginning of Year	3,104,656	200,299	146,786	29,100	239,385
Fund Balance - End of Year	\$3,820,618	\$279,890	\$195,151	\$30,928	\$211,408

Municipal Motor Vehicle Registration	Law Enforcement and Education	Drug and Alcohol Treatment	Local Law Enforcement	Probation Services	Court Computer	Special Projects
\$0	\$39	\$156	\$0	(\$9,982)	\$547	\$312
359,854	0	0	0	0	65,656	0
0	5,224	13,175	0	315,221	85,086	51,601
0	0	0	0	0	0	0
0	0	0	0	0	0	0
359,854	5,263	13,331	0	305,239	151,289	51,913
0	0	23,608	0	399,856	73,488	74,683
0	0	0	0	0	0	0
322,802	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	42,536	0
322,802	0	23,608	0	399,856	116,024	74,683
37,052	5,263	(10,277)	0	(94,617)	35,265	(22,770)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
37,052	5,263	(10,277)	0	(94,617)	35,265	(22,770)
336,922	58,154	157,103	48,820	2,736,728	938,753	417,790
<u>\$373,974</u>	<u>\$63,417</u>	<u>\$146,826</u>	<u>\$48,820</u>	<u>\$2,642,111</u>	<u>\$974,018</u>	<u>\$395,020</u>

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, 2021

	Mediation Services	Tax Increment Equivalent	Indigent Driver Interlock	Coronavirus Relief	Total Nonmajor Special Revenue Funds
Revenues:					
Investment Earnings	\$156	\$0	\$0	\$0	(\$9,582)
Intergovernmental	0	0	0	0	3,740,639
Fines, Licenses & Permits	38,675	0	54,913	0	600,515
Revenue in Lieu of Taxes	0	73,052	0	0	73,052
Other Revenues	0	0	0	0	13,151
Total Revenues	38,831	73,052	54,913	0	4,417,775
Expenditures:					
Current:					
General Government	599	0	3,464	0	575,698
Public Safety	0	0	0	0	8,956
Transportation and Street Repair	0	0	0	0	3,368,836
Public Health and Welfare	0	0	0	1,588	1,588
Capital Outlay	0	0	0	0	283,867
Total Expenditures	599	0	3,464	1,588	4,238,945
Excess of Revenues Over (Under) Expenditures	38,232	73,052	51,449	(1,588)	178,830
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	750,000
Total Other Financing Sources (Uses)	0	0	0	0	750,000
Net Change in Fund Balance	38,232	73,052	51,449	(1,588)	928,830
Fund Balance - Beginning of Year	761,761	286,283	391,025	1,588	9,855,153
Fund Balance - End of Year	\$799,993	\$359,335	\$442,474	\$0	\$10,783,983

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, 2021

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,810,000	\$2,845,217	\$35,217
Investment Earnings	5,000	7,461	\$2,461
Other Revenues	25,000	13,151	(11,849)
Total Revenues	2,840,000	2,865,829	25,829
Expenditures:			
Transportation and Street Repair			
Personnel Related	1,764,714	1,622,122	142,592
Other	1,593,885	1,360,820	233,065
Total Expenditures	3,358,599	2,982,942	375,657
Excess of Revenues Over (Under) Expenditures	(518,599)	(117,113)	401,486
Other Financing Sources (uses):			
Transfers In	750,000	750,000	0
Total Other Financing Sources (Uses)	750,000	750,000	0
Net Change in Fund Balance	231,401	632,887	401,486
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,028,830	3,028,830	0
Fund Balance End of Year	\$3,260,231	\$3,661,718	\$401,486

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, 2021

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$227,000	\$228,560	\$1,560
Total Revenues	227,000	228,560	1,560
Expenditures:			
Transportation and Street Repair Personnel Related	152,175	149,656	2,519
Total Expenditures	152,175	149,656	2,519
Net Change in Fund Balance	74,825	78,904	4,079
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	193,607	193,607	0
Fund Balance End of Year	\$268,432	\$272,511	\$4,079

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, 2021

	County Motor Vehicle Registration Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$225,000	\$225,000	\$0
Investment Earnings	0	0	0
Other Revenues	0	0	0
Total Revenues	225,000	225,000	0
Expenditures:			
Capital Outlay	197,754	197,224	530
Total Expenditures	197,754	197,224	530
Net Change in Fund Balance	27,246	27,776	530
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	156,777	156,777	0
Fund Balance End of Year	\$184,023	\$184,553	\$530

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Tax Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Licenses & Permits	\$2,000	\$1,750	(\$250)
Investment Earnings	200	78	(122)
Total Revenues	<u>2,200</u>	<u>1,828</u>	<u>(372)</u>
Expenditures:			
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	2,200	1,828	(372)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>29,100</u>	<u>29,100</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$31,300</u></u>	<u><u>\$30,928</u></u>	<u><u>(\$372)</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, 2021

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$10,500	\$34,870	\$24,370
Intergovernmental	0	3,948	3,948
Total Revenues	10,500	38,818	28,318
Expenditures:			
Capital Outlay	96,590	78,545	18,045
Total Expenditures	96,590	78,545	18,045
Net Change in Fund Balance	(86,090)	(39,727)	46,363
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	245,785	245,785	0
Fund Balance End of Year	\$159,695	\$206,058	\$46,363

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, 2021

	Municipal Motor Vehicle Registration Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$350,000	\$357,561	\$7,561
Total Revenues	350,000	357,561	7,561
Expenditures:			
Transportation and Street Repair Personnel Related	329,713	322,401	7,312
Total Expenditures	329,713	322,401	7,312
Net Change in Fund Balance	20,287	35,160	14,873
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	328,917	328,917	0
Fund Balance End of Year	\$349,204	\$364,077	\$14,873

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, 2021

	Law Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$5,000	\$5,224	\$224
Investment Earnings	0	39	39
Total Revenues	<u>5,000</u>	<u>5,263</u>	<u>263</u>
Expenditures:			
Public Safety			
Other	30,000	0	30,000
Total Expenditures	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Net Change in Fund Balance	(25,000)	5,263	30,263
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>58,153</u>	<u>58,153</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$33,153</u></u>	<u><u>\$63,416</u></u>	<u><u>\$30,263</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, 2021

	Drug and Alcohol Treatment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$12,000	\$13,175	\$1,175
Investment Earnings	1,000	156	(844)
Total Revenues	13,000	13,331	331
Expenditures:			
General Government			
Other	26,910	23,308	3,603
Total Expenditures	26,910	23,308	3,603
Net Change in Fund Balance	(13,910)	(9,976)	3,934
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	159,013	159,013	0
Fund Balance End of Year	\$145,103	\$149,037	\$3,934

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, 2021

	Local Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,000	\$0	(\$15,000)
Total Revenues	15,000	0	(15,000)
Expenditures:			
Public Safety			
Other	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Net Change in Fund Balance	10,000	0	(10,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	48,820	48,820	0
Fund Balance End of Year	\$58,820	\$48,820	(\$10,000)

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, 2021

	Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$352,500	\$315,221	(\$37,279)
Investment Earnings	12,500	3,572	(8,928)
Total Revenues	<u>365,000</u>	<u>318,793</u>	<u>(46,207)</u>
Expenditures:			
General Government			
Personnel Related	360,098	346,122	13,976
Other	74,000	53,645	20,355
Total Expenditures	<u>434,098</u>	<u>399,767</u>	<u>34,331</u>
Net Change in Fund Balance	(69,098)	(80,974)	(11,876)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,754,639</u>	<u>2,754,639</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,685,541</u>	<u>\$2,673,666</u>	<u>(\$11,876)</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, 2021

	Court Computer Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$64,500	\$65,656	\$1,156
Court Costs & Fines	85,000	85,086	86
Investment Earnings	2,500	547	(1,953)
Total Revenues	152,000	151,289	(711)
Expenditures:			
General Government			
Other	175,656	137,985	37,671
Total Expenditures	175,656	137,985	37,671
Net Change in Fund Balance	(23,656)	13,305	36,961
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	938,752	938,752	0
Fund Balance End of Year	\$915,096	\$952,056	\$36,961

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, 2021

	Special Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$50,250	\$51,601	\$1,351
Investment Earnings	1,750	312	(1,438)
Total Revenues	52,000	51,913	(87)
Expenditures:			
General Government			
Personnel Related	72,537	72,364	173
Other	40,500	2,242	38,258
Total Expenditures	113,037	74,606	38,431
Net Change in Fund Balance	(61,037)	(22,693)	38,344
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	420,214	420,214	0
Fund Balance End of Year	\$359,177	\$397,521	\$38,344

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, 2021

	Mediation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$35,000	\$38,675	\$3,675
Investment Earnings	1,000	156	(844)
Total Revenues	36,000	38,831	2,831
Expenditures:			
General Government			
Other	2,500	599	1,901
Total Expenditures	2,500	599	1,901
Net Change in Fund Balance	33,500	38,232	4,732
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	761,760	761,760	0
Fund Balance End of Year	\$795,260	\$799,993	\$4,732

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, 2021

	Tax Increment Equivalent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$70,000	\$73,052	\$3,052
Total Revenues	70,000	73,052	3,052
Expenditures:			
General Government			
Other	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Net Change in Fund Balance	69,000	73,052	4,052
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	286,284	286,284	0
Fund Balance End of Year	\$355,284	\$359,336	\$4,052

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, 2021

	Indigent Driver Interlock Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Court Costs & Fines	\$25,000	\$54,913	\$29,913
Total Revenues	25,000	54,913	29,913
Expenditures:			
General Government			
Other	10,000	3,294	6,706
Total Expenditures	10,000	3,294	6,706
Net Change in Fund Balance	15,000	51,619	36,619
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	391,183	391,183	0
Fund Balance End of Year	\$406,183	\$442,802	\$36,619

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, 2021

	Coronavirus Relief Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
General Government			
Other	4,588	1,588	3,000
Total Expenditures	4,588	1,588	3,000
Net Change in Fund Balance	(4,588)	(1,588)	3,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,588	1,588	0
Fund Balance End of Year	(\$3,000)	\$0	\$3,000

NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,284	\$1,818,818	\$1,823,102
Receivables (Net):			
Intergovernmental	0	280,577	280,577
Total Assets	<u>4,284</u>	<u>2,099,395</u>	<u>2,103,679</u>
Deferred Inflows of Resources:			
Grants and Other Taxes	0	280,577	280,577
Total Deferred Inflows of Resources	<u>0</u>	<u>280,577</u>	<u>280,577</u>
Fund Balances:			
Restricted	0	1,818,818	1,818,818
Assigned	4,284	0	4,284
Total Fund Balances	<u>4,284</u>	<u>1,818,818</u>	<u>1,823,102</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$4,284</u>	<u>\$2,099,395</u>	<u>\$2,103,679</u>

City of Fairfield, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2021

	General Bond Retirement	Special Assessment	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	(\$343)	(\$343)
Total Revenues	<u>0</u>	<u>(343)</u>	<u>(343)</u>
Expenditures:			
Current:			
General Government	0	1,000	1,000
Debt Service:			
Principal	2,245,000	0	2,245,000
Interest and Other Charges	218,651	4,613	223,264
Total Expenditures	<u>2,463,651</u>	<u>5,613</u>	<u>2,469,264</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,463,651)</u>	<u>(5,956)</u>	<u>(2,469,607)</u>
Other Financing Sources (Uses):			
Transfers In	2,603,171	0	2,603,171
Transfers (Out)	(140,000)	0	(140,000)
Total Other Financing Sources (Uses)	<u>2,463,171</u>	<u>0</u>	<u>2,463,171</u>
Net Change in Fund Balance	(480)	(5,956)	(6,436)
Fund Balance - Beginning of Year	<u>4,764</u>	<u>1,824,774</u>	<u>1,829,538</u>
Fund Balance - End of Year	<u><u>\$4,284</u></u>	<u><u>\$1,818,818</u></u>	<u><u>\$1,823,102</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, 2021

	General Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Debt Proceeds	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Principal Retirement	2,385,000	2,385,000	0
Interest and Fiscal Charges	218,651	218,651	0
Total Expenditures	2,603,651	2,603,651	0
Excess of Revenues Over (Under) Expenditures	(2,603,651)	(2,603,651)	0
Other Financing Sources (uses):			
Transfers In	2,784,170	2,603,171	(180,999)
Total Other Financing Sources (Uses)	2,784,170	2,603,171	(180,999)
Net Change in Fund Balance	180,519	(480)	(180,999)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,762	4,762	0
Fund Balance End of Year	<u>\$185,281</u>	<u>\$4,282</u>	<u>(\$180,999)</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, 2021

	Special Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$345,000	\$281,702	(\$63,298)
Investment Earnings	5,000	83,988	78,988
Total Revenues	350,000	365,690	15,690
Expenditures:			
Current:			
General Government			
Other	2,100	1,000	1,100
Debt Service:			
Principal Retirement	359,141	359,140	1
Interest and Fiscal Charges	4,614	4,613	1
Total Expenditures	365,855	364,753	1,102
Net Change in Fund Balance	(15,855)	937	16,792
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,821,333	1,821,333	0
Fund Balance End of Year	\$1,805,478	\$1,822,269	\$16,792

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

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

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

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

City of Fairfield, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Park Development	Total Nonmajor Capital Projects Funds
Assets:						
Equity in Pooled Cash and Investments	\$5,315,903	\$10,190	\$46,591	\$42,234	\$579,602	\$5,994,520
Receivables (Net):						
Taxes	928,503	0	0	0	0	928,503
Interest	671	0	0	0	0	671
Total Assets	6,245,077	10,190	46,591	42,234	579,602	6,923,694
Liabilities:						
Contracts Payable	93,243	0	0	0	69,692	162,935
Retainage Payable	0	0	0	0	7,744	7,744
Total Liabilities	93,243	0	0	0	77,436	170,679
Deferred Inflows of Resources:						
Income Taxes	604,042	0	0	0	0	604,042
Investment Earnings	331	0	0	0	0	331
Total Deferred Inflows of Resources	604,373	0	0	0	0	604,373
Fund Balances:						
Restricted	5,547,461	10,190	46,591	0	502,166	6,106,408
Assigned	0	0	0	42,234	0	42,234
Total Fund Balances	5,547,461	10,190	46,591	42,234	502,166	6,148,642
Total Liabilities, Deferred Inflows and Fund Balances	\$6,245,077	\$10,190	\$46,591	\$42,234	\$579,602	\$6,923,694

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, 2021

	Capital Improvement	Flood Protection	State Issue I	Downtown Development	Park Development	Total Nonmajor Capital Projects Funds
Revenues:						
Income Taxes	\$3,584,165	\$0	\$0	\$0	\$0	\$3,584,165
Investment Earnings	(2,449)	0	0	0	0	(2,449)
Intergovernmental	179,871	0	132,894	0	0	312,765
Other Revenues	34,985	4,973	0	0	10,500	50,458
Total Revenues	3,796,572	4,973	132,894	0	10,500	3,944,939
Expenditures:						
Current:						
Leisure Time Activities	0	0	0	0	104,991	104,991
Transportation and Street Repair	1,424,309	0	0	0	0	1,424,309
Capital Outlay	1,853,991	0	7,534	0	443,437	2,304,962
Total Expenditures	3,278,300	0	7,534	0	548,428	3,834,262
Excess of Revenues Over (Under) Expenditures	518,272	4,973	125,360	0	(537,928)	110,677
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	47,361	0	0	0	0	47,361
Transfers In	1,214	0	0	0	813,000	814,214
Total Other Financing Sources (Uses)	48,575	0	0	0	813,000	861,575
Net Change in Fund Balance	566,847	4,973	125,360	0	275,072	972,252
Fund Balance - Beginning of Year	4,980,614	5,217	(78,769)	42,234	227,094	5,176,390
Fund Balance - End of Year	\$5,547,461	\$10,190	\$46,591	\$42,234	\$502,166	\$6,148,642

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, 2021

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,156,266	\$3,650,668	(\$505,598)
Intergovernmental	0	179,871	179,871
Investment Earnings	7,500	4,511	(2,989)
Other Revenues	1,000	34,985	33,985
Total Revenues	<u>4,164,766</u>	<u>3,870,036</u>	<u>(294,730)</u>
Expenditures:			
Capital Outlay	5,839,863	5,405,718	434,145
Total Expenditures	<u>5,839,863</u>	<u>5,405,718</u>	<u>434,145</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,675,097)</u>	<u>(1,535,682)</u>	<u>139,415</u>
Other Financing Sources (uses):			
Proceeds from Sale of Capital Assets	0	47,361	47,361
Transfers In	1,074,689	1,074,689	0
Transfers (Out)	<u>(1,073,475)</u>	<u>(1,073,475)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,214</u>	<u>48,575</u>	<u>47,361</u>
Net Change in Fund Balance	(1,673,883)	(1,487,107)	186,776
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,055,456</u>	<u>5,055,456</u>	<u>0</u>
Fund Balance End of Year	<u>\$3,381,573</u>	<u>\$3,568,350</u>	<u>\$186,776</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, 2021

	Flood Protection Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$4,973	\$4,973
Total Revenues	0	4,973	4,973
Total Expenditures	0	0	0
Net Change in Fund Balance	0	4,973	4,973
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,217	5,217	0
Fund Balance End of Year	<u>\$5,217</u>	<u>\$10,191</u>	<u>\$4,973</u>

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Final Budget	State Issue I Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$250,000	\$132,894	(\$117,107)
Total Revenues	250,000	132,894	(117,107)
Expenditures:			
Capital Outlay	142,894	132,894	10,001
Total Expenditures	142,894	132,894	10,001
Net Change in Fund Balance	107,106	0	(107,106)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,591	46,591	0
Fund Balance End of Year	\$153,697	\$46,591	(\$107,106)

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, 2021

	Downtown Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	19,995	19,995	0
Total Expenditures	19,995	19,995	0
Net Change in Fund Balance	(19,995)	(19,995)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	52,361	52,361	0
Fund Balance End of Year	<u>\$32,366</u>	<u>\$32,366</u>	<u>\$0</u>

City of Fairfield, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Park Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,500	\$10,500	\$0
Total Revenues	10,500	10,500	0
Expenditures:			
Capital Outlay	1,666,027	1,586,755	79,272
Total Expenditures	1,666,027	1,586,755	79,272
Excess of Revenues Over (Under) Expenditures	(1,655,527)	(1,576,255)	79,272
Other Financing Sources (uses):			
Transfers In	813,000	813,000	0
Total Other Financing Sources (Uses)	813,000	813,000	0
Net Change in Fund Balance	(842,527)	(763,255)	79,272
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	227,095	227,095	0
Fund Balance End of Year	(\$615,432)	(\$536,160)	\$79,272

OTHER GENERAL FUND

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

Fund Description

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

City of Fairfield, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Compensated Leave Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,000	\$774	(\$1,226)
Total Revenues	2,000	774	(1,226)
Expenditures:			
Personnel	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	2,000	774	(1,226)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	590,894	590,894	0
Fund Balance End of Year	\$592,894	\$591,668	(\$1,226)

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

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

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

Fund Descriptions

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

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

City of Fairfield, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Assets:			
Equity in Pooled Cash and Investments	\$581,340	\$1,002,340	\$1,583,680
Receivables (Net):			
Accounts	301,000	0	301,000
Inventory	0	9,031	9,031
Total Current Assets	882,340	1,011,371	1,893,711
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Capital Assets	0	507,000	507,000
Depreciable Capital Assets, Net	0	2,302,967	2,302,967
Net OPEB Asset	0	75,791	75,791
Total Noncurrent Assets	0	2,885,758	2,885,758
Total Assets	882,340	3,897,129	4,779,469
Deferred Outflows of Resources:			
Pension	0	82,283	82,283
OPEB	0	37,260	37,260
Total Deferred Outflows of Resources	0	119,543	119,543
Liabilities:			
Current Liabilities:			
Accounts Payable	417,417	76,551	493,968
Accrued Wages and Benefits	0	27,261	27,261
Compensated Absences	0	59,843	59,843
Claims Payable	0	185	185
Total Current Liabilities	417,417	163,840	581,257
Long-Term Liabilities:			
Compensated Absences	0	19,535	19,535
Net Pension Liability	0	605,765	605,765
Total Liabilities	417,417	789,140	1,206,557
Deferred Inflows of Resources:			
Pension	0	297,306	297,306
OPEB	0	254,287	254,287
Total Deferred Inflows of Resources	0	551,593	551,593
Net Position:			
Net Investment in Capital Assets	0	2,809,967	2,809,967
Unrestricted	464,923	(134,028)	330,895
Total Net Position	\$464,923	\$2,675,939	\$3,140,862

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2021

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$2,487,148	\$1,717,037	\$4,204,185
Other Revenues	0	35,197	35,197
Total Operating Revenues	2,487,148	1,752,234	4,239,382
Operating Expenses:			
Personal Services	0	1,165,807	1,165,807
Contactual Services	2,486,619	690,872	3,177,491
Materials and Supplies	0	409,998	409,998
Depreciation	0	187,592	187,592
Total Operating Expenses	2,486,619	2,454,269	4,940,888
Operating Income (Loss)	529	(702,035)	(701,506)
Non-Operating Revenues (Expenses):			
Investment Earnings	0	(475)	(475)
Interest (Expense)	0	(1,472)	(1,472)
Total Non-Operating Revenues (Expenses)	0	(1,947)	(1,947)
Income (Loss) Before Contributions and Transfers	529	(703,982)	(703,453)
Transfers In	0	490,000	490,000
Change in Net Position	529	(213,982)	(213,453)
Net Position - Beginning of Year	464,394	2,889,921	3,354,315
Net Position - End of Year	\$464,923	\$2,675,939	\$3,140,862

City of Fairfield, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2021

	Solid Waste Management	Recreation Facilities	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,500,106	\$1,752,234	\$4,252,340
Cash Payments to Employees	0	(814,179)	(814,179)
Cash Payments to Suppliers	(2,478,562)	(1,030,698)	(3,509,260)
Net Cash Provided (Used) by Operating Activities	21,544	(92,643)	(71,099)
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	490,000	490,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	490,000	490,000
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	0	(12,183)	(12,183)
Debt Principal Payments	0	(140,000)	(140,000)
Debt Interest Payments	0	(4,200)	(4,200)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(156,383)	(156,383)
Cash Flows from Investing Activities:			
Earnings on Investments	0	(475)	(475)
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	(475)	(475)
Net Increase (Decrease) in Cash and Cash Equivalents	21,544	240,499	262,043
Cash and Cash Equivalents - Beginning of Year	559,796	761,841	1,321,637
Cash and Cash Equivalents - End of Year	581,340	1,002,340	1,583,680
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	529	(702,035)	(701,506)
Adjustments:			
Depreciation	0	187,592	187,592
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	12,958	0	12,958
(Increase) Decrease in Inventory	0	3,968	3,968
(Increase) Decrease in Deferred Outflows of Resources	0	(29,789)	(29,789)
(Increase) Decrease in Net OPEB Asset	0	(75,791)	(75,791)
Increase (Decrease) in Claims Payable	0	(843)	(843)
Increase (Decrease) in Payables	8,057	66,204	74,261
Increase (Decrease) in Accrued Liabilities	0	3,892	3,892
Increase (Decrease) in Deferred Inflows of Resources	0	436,808	436,808
Increase (Decrease) in Net Pension Liability	0	264,743	264,743
Increase (Decrease) in OPEB Liability	0	(247,392)	(247,392)
Net Cash Provided (Used) by Operating Activities	\$21,544	(\$92,643)	(\$71,099)

NONMAJOR FUNDS

Internal Service Funds

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

Fund Descriptions

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

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

Custodial Funds

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

Fund Descriptions

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

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

City of Fairfield, Ohio
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$3,222,879	\$11,353	\$3,234,232
Interest	1,343	0	1,343
Total Current Assets	3,224,222	11,353	3,235,575
Noncurrent Assets:			
Net OPEB Asset	0	57,173	57,173
Total Noncurrent Assets	0	57,173	57,173
Total Assets	3,224,222	68,526	3,292,748
Deferred Outflows of Resources:			
Pension	0	62,070	62,070
OPEB	0	28,107	28,107
Total Deferred Outflows of Resources	0	90,177	90,177
Liabilities:			
Current Liabilities:			
Accounts Payable	675	24,357	25,032
Accrued Wages and Benefits	0	29,318	29,318
Compensated Absences	0	12,944	12,944
Claims Payable	169,618	99	169,717
Total Current Liabilities	170,293	66,718	237,011
Long-Term Liabilities:			
Compensated Absences	0	98,669	98,669
Net Pension Liability	0	456,958	456,958
Total Long-Term Liabilities	0	555,627	555,627
Total Liabilities	170,293	622,345	792,638
Deferred Inflows of Resources:			
Pension	0	224,272	224,272
OPEB	0	191,821	191,821
Total Deferred Inflows of Resources	0	416,093	416,093
Net Position:			
Unrestricted	3,053,929	(879,735)	2,174,194
Total Net Position	\$3,053,929	(\$879,735)	\$2,174,194

City of Fairfield, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2021

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$7,954,516	\$750,962	\$8,705,478
Other Revenues	4,770	1,884	6,654
Total Operating Revenues	<u>7,959,286</u>	<u>752,846</u>	<u>8,712,132</u>
Operating Expenses:			
Personal Services	0	583,158	583,158
Contactual Services	8,347,933	18,927	8,366,860
Materials and Supplies	0	366,388	366,388
Total Operating Expenses	<u>8,347,933</u>	<u>968,473</u>	<u>9,316,406</u>
Operating Income (Loss)	<u>(388,647)</u>	<u>(215,627)</u>	<u>(604,274)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	<u>(2,606)</u>	<u>0</u>	<u>(2,606)</u>
Total Non-Operating Revenues (Expenses)	<u>(2,606)</u>	<u>0</u>	<u>(2,606)</u>
Income (Loss) Before Contributions and Transfers	(391,253)	(215,627)	(606,880)
Transfers In	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Change in Net Position	(391,253)	84,373	(306,880)
Net Position - Beginning of Year	<u>3,445,182</u>	<u>(964,108)</u>	<u>2,481,074</u>
Net Position - End of Year	<u>\$3,053,929</u>	<u>(\$879,735)</u>	<u>\$2,174,194</u>

City of Fairfield, Ohio
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2021

	Employees' Benefits	Municipal Garage	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$7,959,286	\$752,846	\$8,712,132
Cash Payments to Employees	0	(683,865)	(683,865)
Cash Payments to Suppliers	0	(385,275)	(385,275)
Cash Payments for Claims	(8,455,686)	0	(8,455,686)
Net Cash Provided (Used) by Operating Activities	(496,400)	(316,294)	(812,694)
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	0	300,000	300,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	300,000	300,000
Cash Flows from Investing Activities:			
Earnings on Investments	(2,262)	0	(2,262)
Net Cash Provided (Used) by Cash Flows from Investing Activities	(2,262)	0	(2,262)
Net Increase (Decrease) in Cash and Cash Equivalents	(498,662)	(16,294)	(514,956)
Cash and Cash Equivalents - Beginning of Year	3,721,541	27,647	3,749,188
Cash and Cash Equivalents - End of Year	3,222,879	11,353	3,234,232
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(388,647)	(215,627)	(604,274)
Changes in Assets & Liabilities:			
(Increase) Decrease in Deferred Outflows of Resources	0	30,403	30,403
(Increase) Decrease in Net OPEB Asset	0	(57,173)	(57,173)
Increase (Decrease) in Claims Payable	(106,006)	(393)	(106,399)
Increase (Decrease) in Payables	(1,747)	40	(1,707)
Increase (Decrease) in Accrued Liabilities	0	(1,874)	(1,874)
Increase (Decrease) in Deferred Inflows of Resources	0	261,883	261,883
Increase (Decrease) in Net Pension Liability	0	(1,192)	(1,192)
Increase (Decrease) in Net OPEB Liability	0	(332,361)	(332,361)
Net Cash Provided (Used) by Operating Activities	(\$496,400)	(\$316,294)	(\$812,694)

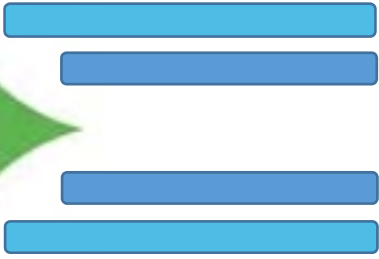
City of Fairfield, Ohio
Combining Statement of Net Position
Custodial Funds
December 31, 2021

	Municipal Court	West Chester Joint Economic Development District 1	Totals
Assets:			
Equity in Pooled Cash and Investments	\$64,999	\$142,491	\$207,490
Receivables (Net):			
Accounts	0	192,220	192,220
Total Assets	64,999	334,711	399,710
Liabilities:			
Accounts Payable	0	105,693	105,693
Total Liabilities	0	105,693	105,693
Net Position:			
Restricted for:			
Individuals, Organizations, and Other Governments	64,999	0	64,999
Economic Development	0	229,018	229,018
Total Net Position	\$64,999	\$229,018	\$294,017

City of Fairfield, Ohio
 Combining Statement of Changes in Net Position
 Custodial Funds
 For the Fiscal Year Ended December 31, 2021

	Municipal Court	West Chester Joint Economic Development District 1	Totals
Additions:			
Investment Earnings	\$0	\$29	\$29
Municipal Court Receipts	980,057	0	980,057
Joint Economic Development District Receipts	0	1,868,736	1,868,736
Total Additions	980,057	1,868,765	2,848,822
Deductions:			
Municipal Court Disbursements	1,079,350	0	1,079,350
Joint Economic Development District Disbursements	0	1,879,162	1,879,162
Total Deductions	1,079,350	1,879,162	2,958,512
Change in Net Position	(99,293)	(10,397)	(109,690)
Net Position - Beginning of Year	164,292	239,415	403,707
Net Position - End of Year	\$64,999	\$229,018	\$294,017

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Statistical Section

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	2012	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$67,275,297	\$69,235,249	\$70,400,669	\$70,871,957	\$72,702,624	\$73,664,366	\$77,707,285	\$78,671,198	\$74,485,490	\$74,289,642
Restricted	16,117,641	17,137,210	16,288,586	15,892,445	18,160,599	20,743,247	22,525,145	24,601,200	32,170,370	34,773,809
Unrestricted	13,959,061	17,136,178	16,492,976	(5,843,139)	(5,913,774)	(30,084,299)	(32,132,889)	(18,294,804)	(22,347,006)	(4,387,301)
Total Governmental Activities Net Position	\$97,351,999	\$103,508,637	\$103,182,231	\$80,921,263	\$84,949,449	\$64,323,314	\$68,099,541	\$84,977,594	\$84,308,854	\$104,676,150
Business-type activities										
Net Investment in Capital Assets	\$37,444,547	\$37,900,975	\$38,873,969	\$39,709,765	\$40,221,046	\$39,221,993	\$38,133,776	\$37,401,334	\$37,067,270	\$34,374,363
Restricted	1,018,832	1,021,404	1,022,736	1,023,003	1,024,340	1,027,000	1,031,796	1,083,318	1,085,053	1,085,442
Unrestricted	9,140,411	9,583,331	9,242,621	5,784,274	4,814,362	2,516,460	5,581,039	7,583,053	11,391,294	15,922,885
Total Business-Type Activities Net Position	\$47,603,790	\$48,505,710	\$49,139,326	\$46,517,042	\$46,059,748	\$42,765,453	\$44,746,611	\$46,067,705	\$49,543,617	\$51,382,690
Total Primary Government										
Net Investment in Capital Assets	\$104,719,844	\$107,136,224	\$109,274,638	\$110,581,722	\$112,923,670	\$112,886,359	\$115,841,061	\$116,072,532	\$111,552,760	\$108,664,005
Restricted	17,136,473	18,158,614	17,311,322	16,915,448	19,184,939	21,770,247	23,556,941	\$25,684,518	33,255,423	35,859,251
Unrestricted	23,099,472	26,719,509	25,735,597	(58,865)	(1,099,412)	(27,567,839)	(26,551,850)	(\$10,711,751)	(10,955,712)	11,535,584
Total Primary Government Net Position	\$144,955,789	\$152,014,347	\$152,321,557	\$127,438,305	\$131,009,197	\$107,088,767	\$112,846,152	\$131,045,299	\$133,852,471	\$156,058,840

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

Source: City Records

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$8,451,042	\$7,631,141	\$8,179,792	\$8,240,596	\$7,968,208	\$9,420,931	\$9,476,038	\$8,302,443	\$12,617,792	\$7,440,303
Public Safety	16,249,928	16,268,499	17,231,019	18,459,890	18,841,094	19,659,072	22,968,209	13,416,020	22,689,176	15,832,041
Leisure Time Activities	3,412,316	3,466,481	3,294,693	3,020,368	3,746,235	3,523,300	3,643,483	3,083,191	3,957,029	3,173,971
Community Development	1,359,819	1,341,884	1,483,394	1,094,499	1,950,158	2,088,857	2,117,719	968,163	1,644,000	1,015,903
Basic Utility Service	412,238	451,823	442,800	441,845	458,368	464,115	502,866	444,198	483,211	488,930
Transportation and Street Repair	7,447,779	6,045,380	8,004,851	8,667,858	8,097,174	8,471,472	9,083,304	10,668,855	9,766,869	9,667,667
Public Health and Welfare	21,784	21,476	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183
Interest and Fiscal Charges	808,963	851,250	815,863	780,363	732,471	696,672	562,058	514,315	381,288	220,424
Total Governmental Activities Expenses	38,163,869	36,077,934	39,473,993	40,726,667	41,814,833	44,345,381	48,374,259	37,417,976	54,575,812	37,861,422
Business-Type Activities:										
Water Utility	4,510,147	4,626,165	5,044,656	5,225,446	6,407,038	6,733,916	5,703,566	7,311,842	7,105,394	7,229,429
Sewer Utility	5,100,875	5,139,515	5,272,460	5,591,952	5,735,840	5,950,929	6,835,855	6,517,745	5,329,744	6,715,790
Solid Waste Management	2,444,874	2,140,007	2,173,408	2,216,074	2,259,529	2,295,473	2,328,509	2,378,343	2,436,344	2,486,619
Recreation Facilities	2,142,869	2,177,176	2,280,222	2,174,232	1,873,055	1,962,035	1,832,164	2,194,858	1,152,094	2,455,741
Total Business-Type Activities Expenses	14,198,765	14,082,863	14,770,746	15,207,704	16,275,462	16,942,353	16,700,094	18,402,788	16,023,576	18,887,579
Total Primary Government Expenses	\$52,362,634	\$50,160,797	\$54,244,739	\$55,934,371	\$58,090,295	\$61,287,734	\$65,074,353	\$55,820,764	\$70,599,388	\$56,749,001
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,881,872	\$1,734,805	\$1,802,079	\$1,795,353	\$1,422,096	\$1,930,245	\$1,899,530	\$2,120,563	\$1,884,468	\$2,147,617
Public Safety	1,183,079	1,189,223	1,162,252	1,144,227	1,130,784	1,101,654	1,187,677	1,251,438	1,053,317	1,175,084
Leisure Time Activities	272,605	281,499	248,952	497,097	958,658	244,100	261,393	265,147	64,622	178,846
Community Development	281,964	354,464	529,106	223,544	1,194,603	1,137,106	1,337,230	1,274,609	1,120,383	1,303,478
Basic Utility Service	670,950	565,538	566,935	77,917	0	0	0	0	0	0
Transportation and Street Repair	38,233	38,389	37,452	593,242	1,705,115	39,889	35,065	39,230	0	0
Operating Grants and Contributions	3,338,989	2,933,524	2,944,428	3,077,018	3,243,396	3,301,379	3,403,213	6,073,045	7,280,416	4,734,913
Capital Grants and Contributions	3,880,495	1,707,738	14,506	897,858	185,742	1,257,952	3,472,908	1,578,511	546,409	1,082,121
Total Governmental Activities Program Revenues	\$11,548,187	\$8,805,180	\$7,305,710	\$8,306,256	\$9,840,394	\$9,012,325	\$11,597,016	\$12,602,543	\$11,949,615	\$10,622,059

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services and Sales:										
Water Utility	\$4,025,197	\$4,666,222	\$4,825,443	\$4,944,528	\$5,121,220	\$5,686,777	\$6,885,777	\$7,305,160	\$7,805,290	\$8,289,494
Sewer Utility	5,492,327	5,733,338	5,968,424	5,992,562	6,145,668	6,306,111	7,047,636	7,134,527	7,393,112	7,479,674
Solid Waste Management	2,373,948	2,119,641	2,165,612	2,218,507	2,261,648	2,273,206	2,346,009	2,359,581	2,451,999	2,487,148
Recreation Facilities	2,097,727	1,871,477	1,831,891	1,859,761	1,769,065	1,791,263	1,615,420	1,704,784	1,284,947	1,717,037
Operating Grants and Contributions	3,999	31,597	88,048	0	0	0	0	0	0	0
Capital Grants and Contributions	0	145,770	900	12,090	0	0	0	64,868	0	0
Total Business-Type Activities Program Revenues	13,993,198	14,568,045	14,880,318	15,027,448	15,297,601	16,057,357	17,894,842	18,568,920	18,935,348	19,973,353
Total Primary Government Program Revenues	\$25,541,385	\$23,373,225	\$22,186,028	\$23,333,704	\$25,137,995	\$25,069,682	\$29,491,858	\$31,171,463	\$30,884,963	\$30,595,412
Net (Expense)/Revenue										
Governmental Activities	(\$26,615,682)	(\$27,272,754)	(\$32,168,283)	(\$32,420,411)	(\$31,974,439)	(\$35,333,056)	(\$36,777,243)	(\$24,815,433)	(\$42,626,197)	(\$27,239,363)
Business-type activities	(205,567)	485,182	109,572	(180,256)	(977,861)	(884,996)	1,194,748	166,132	2,911,772	1,085,774
Total Primary Government Net Expenses	(\$26,821,249)	(\$26,787,572)	(\$32,058,711)	(\$32,600,667)	(\$32,952,300)	(\$36,218,052)	(\$35,582,495)	(\$24,649,301)	(\$39,714,425)	(\$26,153,589)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$23,709,192	\$25,606,839	\$23,586,464	\$25,318,834	\$28,822,572	\$28,041,922	\$30,739,815	\$30,773,706	\$33,288,670	\$37,330,331
Property Taxes Levied for:										
General Purposes	1,385,870	1,476,744	1,987,282	1,636,590	1,439,432	1,677,991	1,540,349	1,722,680	1,490,543	1,786,540
Special Revenue Purposes	3,551,089	3,538,952	3,587,886	3,642,740	3,722,358	6,017,623	5,915,444	6,116,111	6,101,744	6,396,533
Grants and Entitlements not Restricted	1,725,889	1,404,103	1,580,380	1,194,667	1,413,792	1,092,049	1,194,021	1,417,520	1,440,893	1,339,306
Investment Earnings	241,232	126,654	140,964	185,456	147,846	423,476	663,060	1,120,183	280,478	(34,539)
Other Revenues	851,001	1,693,821	1,253,901	722,374	671,625	774,223	855,781	1,078,286	1,266,258	1,278,488
Transfers-Internal Activities	(150,000)	(145,000)	(295,000)	(315,000)	(215,000)	(175,000)	(355,000)	(535,000)	(490,000)	(490,000)
Total Governmental Activities	31,314,273	33,702,113	31,841,877	32,385,661	36,002,625	37,852,284	40,553,470	41,693,486	43,378,586	47,606,659
Business-Type Activities:										
Investment Earnings	(17,798)	9,546	24,544	11,405	28,592	81,541	179,666	411,729	69,958	(23,156)
Other Revenues	201,918	295,954	204,500	244,583	276,975	264,497	251,744	208,233	190,022	286,455
Transfers-Internal Activities	150,000	145,000	295,000	315,000	215,000	175,000	355,000	535,000	490,000	490,000
Total Business-Type Activities	334,120	450,500	524,044	570,988	520,567	521,038	786,410	1,154,962	749,980	753,299
Total Primary Government	\$31,648,393	\$34,152,613	\$32,365,921	\$32,956,649	\$36,523,192	\$38,373,322	\$41,339,880	\$42,848,448	\$44,128,566	\$48,359,958

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Change in Net Position										
Governmental Activities	\$4,698,591	\$6,429,359	(\$326,406)	(\$34,750)	\$4,028,186	\$2,519,228	\$3,776,227	\$16,878,053	\$752,389	\$20,367,296
Business-Type Activities	128,553	935,682	633,616	390,732	(457,294)	(363,958)	1,981,158	1,321,094	3,661,752	1,839,073
Total Primary Government	\$4,827,144	\$7,365,041	\$307,210	\$355,982	\$3,570,892	\$2,155,270	\$5,757,385	\$18,199,147	\$4,414,141	\$22,206,369

Source: City Records

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Assigned	\$92,799	\$358,413	\$1,276,408	\$673,678	\$1,779,678	\$370,256	\$298,960	\$313,800	\$179,886	\$409,318
Unassigned	12,352,032	15,236,166	13,107,411	14,274,603	14,034,551	15,599,686	19,292,199	21,244,703	23,768,885	29,343,074
Total General Fund	<u>12,444,831</u>	<u>15,594,579</u>	<u>14,383,819</u>	<u>14,948,281</u>	<u>15,814,229</u>	<u>15,969,942</u>	<u>19,591,159</u>	<u>21,558,503</u>	<u>23,948,771</u>	<u>29,752,392</u>
All Other Governmental Funds										
Restricted	14,821,559	15,154,484	14,631,812	14,507,341	16,656,232	20,684,196	20,847,065	22,460,400	30,359,706	32,535,539
Assigned	209,911	193,969	186,814	164,254	148,835	118,002	57,567	55,917	46,998	46,518
Unassigned	(1,043,316)	(437,769)	(346,988)	(431,443)	(69,540)	(657,721)	(818,708)	(306,936)	(78,769)	0
Total all Other Governmental Funds	<u>\$13,988,154</u>	<u>\$14,910,684</u>	<u>\$14,471,638</u>	<u>\$14,240,152</u>	<u>\$16,735,527</u>	<u>\$20,144,477</u>	<u>\$20,085,924</u>	<u>\$22,209,381</u>	<u>\$30,327,935</u>	<u>\$32,582,057</u>

Source: City Records

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$28,664,812	\$30,423,136	\$28,234,609	\$31,186,625	\$33,784,963	\$36,031,807	\$37,867,327	\$38,378,455	\$40,543,817	\$43,804,845
Fines, Licenses & Permits	2,005,002	1,886,788	1,859,215	1,784,422	1,975,184	2,140,372	2,093,158	2,303,782	1,899,532	2,425,952
Charges for Services	2,561,018	2,619,848	2,675,730	2,747,915	2,598,343	2,698,535	2,796,234	2,929,600	2,726,764	2,809,802
Investment Earnings	245,561	135,821	142,171	175,768	135,229	431,784	675,646	1,093,906	311,715	(36,245)
Intergovernmental	8,716,682	6,548,135	5,461,873	5,446,943	5,934,448	5,191,496	8,417,569	8,210,034	9,665,620	7,094,239
Special Assessments	28,940	276,143	40,587	250,298	223,868	17,367	56,636	58,556	71,188	71,754
Other Revenues	420,692	671,902	441,998	462,221	1,032,869	514,038	482,702	515,173	815,824	806,255
Total Revenues	\$42,642,707	\$42,561,773	\$38,856,183	\$42,054,192	\$45,684,904	\$47,025,399	\$52,389,272	\$53,489,506	\$56,034,460	\$56,976,602
Expenditures:										
Current:										
General Government	\$7,492,947	\$7,297,563	\$8,062,959	\$8,338,732	\$7,926,097	\$8,341,413	\$8,581,493	\$9,241,331	\$9,578,771	\$7,850,436
Public Safety	14,999,429	15,441,781	16,157,770	16,829,972	17,148,478	17,784,469	19,027,936	19,586,285	17,359,953	22,328,294
Leisure Time Activities	2,279,421	2,416,016	2,526,615	2,588,912	2,565,624	2,598,885	2,665,024	2,808,303	2,627,991	2,764,872
Community Development	1,304,371	1,326,648	1,434,544	1,457,640	1,555,296	1,465,974	1,412,325	1,431,198	1,463,355	1,443,679
Basic Utility Service	412,238	451,823	442,800	441,845	458,368	464,115	502,866	444,198	483,211	488,930
Transportation and Street Repair	4,388,564	3,063,645	5,314,576	3,351,636	3,211,071	3,239,569	3,454,387	6,886,517	6,319,056	8,171,442
Public Health and Welfare	21,784	21,476	21,581	21,248	21,125	20,962	20,582	20,791	3,036,447	22,183
Capital Outlay	9,258,968	5,277,220	3,633,918	5,739,648	6,690,901	7,192,216	10,586,483	6,735,184	2,383,394	2,646,867
Debt Service:										
Principal Retirement	1,716,763	1,686,207	1,654,765	1,680,000	1,740,000	1,425,000	1,440,000	1,145,000	1,270,000	2,245,000
Interest and Fiscal Charges	839,474	876,493	835,371	800,002	747,541	630,909	581,485	528,942	341,487	223,264
Bond Issuance Cost	0	0	0	0	0	85,090	0	0	58,858	0
Total Expenditures	\$42,713,959	\$37,858,872	\$40,084,899	\$41,249,635	\$42,064,501	\$43,248,602	\$48,272,581	\$48,827,749	\$44,922,523	\$48,184,967

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (Deficiency) of Revenues Over Expenditures	(\$71,252)	\$4,702,901	(\$1,228,716)	\$804,557	\$3,620,403	\$3,776,797	\$4,116,691	\$4,661,757	\$11,111,937	\$8,791,635
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$122,264	\$54,377	\$73,910	\$68,419	\$155,920	\$77,776	\$973	\$164,044	\$28,027	\$56,108
Sale of Refunding Bonds	6,540,000	0	0	0	0	3,615,000	0	0	5,345,000	0
Payments to Refunded Bond Escrow Agent	(6,852,466)	0	0	0	0	(3,855,969)	0	0	(5,286,142)	0
Premium/(Discount) on Sale of Refunded Bonds	422,277	0	0	0	0	326,059	0	0	0	0
Transfers In	4,721,472	5,515,626	6,531,244	3,900,000	8,074,458	4,950,000	2,376,763	3,465,127	6,277,532	4,672,378
Transfers (Out)	(5,061,472)	(6,200,626)	(7,026,244)	(4,440,000)	(8,489,458)	(5,325,000)	(2,931,763)	(4,200,127)	(6,967,532)	(5,462,378)
Total Other Financing Sources (Uses)	(107,925)	(630,623)	(421,090)	(471,581)	(259,080)	(212,134)	(554,027)	(570,956)	(603,115)	(733,892)
Net Change in Fund Balances	<u>(\$179,177)</u>	<u>\$4,072,278</u>	<u>(\$1,649,806)</u>	<u>\$332,976</u>	<u>\$3,361,323</u>	<u>\$3,564,663</u>	<u>\$3,562,664</u>	<u>\$4,090,801</u>	<u>\$10,508,822</u>	<u>\$8,057,743</u>
Debt service as a percentage of noncapital expenditures (1)	7.3%	7.7%	6.9%	6.5%	6.7%	5.6%	5.0%	3.9%	3.7%	5.3%

Source: City Records

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

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

Calendar Year	Assessed Value			Estimated Actual Value	Direct Rate
	Real Property	Public Utilities Personal	Total	Total	Total
2012	\$923,744,720	\$30,787,720	\$954,532,440	\$2,652,448,898	5.94
2013	916,662,950	32,024,670	948,687,620	2,636,207,348	5.94
2014	914,754,880	34,544,460	949,299,340	2,637,907,192	5.94
2015	903,236,750	38,373,230	941,609,980	2,616,540,045	5.94
2016	903,187,030	41,633,890	944,820,920	2,625,462,586	8.44
2017	956,212,820	43,078,190	999,291,010	2,776,823,738	8.44
2018	1,000,644,150	47,648,580	1,048,292,730	2,912,989,418	8.44
2019	984,802,100	49,484,530	1,034,286,630	2,874,069,353	8.44
2020	1,154,528,940	55,581,820	1,210,110,760	3,362,648,368	8.44
2021	1,156,490,950	58,580,940	1,215,071,890	3,376,434,326	8.44

Source: County Auditor

Note:

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

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

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

Calendar Year	Direct Rate				Overlapping Rates		
	General Fund	Police Levy	Fire/EMS Levy	Total	County Levy	School Levy	Vocational School Levy
2012	0.99	0.30	4.65	5.94	9.72	63.10	1.93
2013	0.99	0.30	4.65	5.94	9.72	62.80	1.93
2014	0.99	0.30	4.65	5.94	9.72	65.80	1.93
2015	0.99	0.30	4.65	5.94	9.72	65.80	1.93
2016	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2017	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2018	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2019	0.99	0.30	7.15	8.44	9.72	64.30	1.93
2020	0.99	0.30	7.15	8.44	9.22	63.30	1.93
2021	0.99	0.30	7.15	8.44	7.30	63.30	1.93

Source: County Auditor

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

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

2021 (1)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio	\$56,821,950	4.70%
LIT Industrial Partnership	9,492,600	0.78%
Duke Realty Ohio	9,035,840	0.75%
NP Seward RD LLC	8,377,800	0.69%
Cincinnati Financial Corp	8,195,680	0.68%
Villages of Wildwood Owner LLC	7,885,530	0.65%
Faith Village Park Apartments	7,601,910	0.63%
VP Woodridge LLC	7,557,160	0.62%
Sisters of Mercy	7,401,470	0.61%
Rajole LLC	7,225,570	0.60%
	<u>\$129,595,510</u>	<u>10.71%</u>

2012 (2)		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$24,278,610	2.54%
Sam Boymel Trustee	10,145,040	1.06%
Ohio Casulty Insurance Co.	6,631,750	0.69%
Cincinnati Financial Corp	6,243,640	0.65%
Faith-Village Park Apartments	6,067,160	0.64%
Timber Hollow Apartments	5,642,110	0.59%
Rajole LLC	5,361,060	0.56%
TGM Camelot, Inc.	5,125,150	0.54%
Penn Gardens Capital Partners	4,890,590	0.51%
Meijer Stores, Ltd.	4,791,740	0.50%
	<u>\$79,176,850</u>	<u>8.28%</u>

Source: County Auditor

(1) - Calendar Year 2021

(2) - Collection Year 2012

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Deliquent Taxes Collected	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$5,153,091	\$4,977,999	96.60%	\$172,024	\$5,150,023	99.94%
2013	5,120,551	5,048,532	98.59%	72,019	5,120,551	100.00%
2014	5,245,233	5,081,457	96.88%	163,776	5,245,233	100.00%
2015	5,163,152	5,099,800	98.77%	63,352	5,163,152	100.00%
2016	5,200,000	5,162,354	99.28%	37,646	5,200,000	100.00%
2017	3,450,963	3,295,748	95.50%	115,784	3,411,532	98.86%
2018	4,362,689	3,877,743	88.88%	420,253	4,297,996	98.52%
2019	5,022,670	4,613,713	91.86%	342,147	4,955,860	98.67%
2020	5,557,878	5,144,863	92.57%	340,558	5,485,421	98.70%
2021	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

Source: County Auditor

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

Calendar Year	Income Tax Rate					Percentage of Total			
		Withholding	Business	Individuals	Total	Withholding	Business	Individuals	Total
2012	1.50%	\$18,548,641	\$2,974,498	\$3,045,095	\$24,568,234	75.5%	12.1%	12.4%	100.0%
2013	1.50%	19,206,364	3,668,794	3,073,729	25,948,887	74.0%	14.1%	11.9%	100.0%
2014	1.50%	20,354,912	3,117,922	3,059,354	26,532,188	76.7%	11.8%	11.5%	100.0%
2015	1.50%	21,408,938	2,967,608	3,085,033	27,461,579	78.0%	10.8%	11.2%	100.0%
2016	1.50%	22,319,907	3,364,012	3,435,563	29,119,482	76.6%	11.6%	11.8%	100.0%
2017	1.50%	23,873,512	3,482,717	3,364,962	30,721,191	77.7%	11.3%	11.0%	100.0%
2018	1.50%	24,672,582	3,008,899	3,431,538	31,113,019	79.3%	9.7%	11.0%	100.0%
2019	1.50%	25,053,223	3,853,758	3,364,071	32,271,052	77.6%	11.9%	10.4%	100.0%
2020	1.50%	25,601,868	4,101,810	3,169,869	32,873,547	77.8%	12.5%	9.7%	100.0%
2021	1.50%	26,399,353	6,118,165	3,989,165	36,506,683	72.3%	16.8%	10.9%	100.0%

Source: City Finance Department

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

	2021
Name	Amount
Cincinnati Insurance Corporation	\$4,461,128
Mercy Health Cincinnati LLC	1,475,686
Koch Meat Co Inc	923,918
Fairfield Board of Education	845,319
Pacific Manufacturing Ohio Inc	497,180
Express Scripts Services Company	447,818
City of Fairfield	404,018
Veritiv Operating Company	353,420
Martin Brower Co LLC	349,445
Fedex Freight Inc	249,871
Total Collections - Principal Taxpayers	<u>\$10,007,803</u>
Total Collections	\$36,506,683
Combined percentage of total income taxes	27.4%

	2012
Name	Amount
Cincinnati Insurance	\$3,072,456
Liberty Mutual Group	1,359,089
Mercy Regional Health System	1,209,622
Fairfield Board of Education	605,701
Merck-Medco Rx Services	601,811
Koch Meat Co Inc	341,090
Pacific Mfg Ohio Inc	327,451
City of Fairfield	297,532
Jungle Jim's Market	171,175
Devco Holdings	169,902
Total Collections - Principal Taxpayers	<u>\$8,155,829</u>
Total Collections	\$24,568,234
Combined percentage of total income taxes	33.2%

Source: City Finance Department

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

Calendar Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	OWDA Loans	General Obligation Bonds			
2012	\$22,074,185	\$115,972	\$4,357,688	\$2,755,301	\$29,303,146	0.20%	\$689
2013	20,427,762	29,765	3,528,338	2,328,129	26,313,994	0.18%	619
2014	18,756,339	0	2,665,171	1,890,957	23,312,467	0.15%	548
2015	17,029,916	0	1,766,809	1,453,785	20,250,510	0.13%	476
2016	15,248,896	0	831,812	1,011,613	17,092,321	0.10%	402
2017	14,103,851	0	219,082	574,440	14,897,373	0.09%	350
2018	12,597,749	0	43,111	437,080	13,077,940	0.07%	308
2019	11,391,165	0	0	294,720	11,685,885	0.06%	275
2020	10,264,582	0	0	147,360	10,411,942	N/A	N/A
2021	7,957,998	0	567,897	0	8,525,895	0.04%	190

Source: City Finance Department

Notes:

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

N/A - Information not available

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

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Less: Restricted for Debt Service (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	\$24,829,486	\$1,674,118	\$23,155,368	0.87%	\$545
2013	22,755,891	2,503,239	20,252,652	0.77%	476
2014	20,647,296	1,929,153	18,718,143	0.71%	440
2015	18,483,701	1,829,128	16,654,573	0.64%	392
2016	16,260,509	1,743,468	14,517,041	0.55%	341
2017	14,678,291	1,763,686	12,914,605	0.47%	304
2018	13,034,829	1,781,236	11,253,593	0.39%	265
2019	11,685,885	1,821,273	9,864,612	0.34%	232
2020	10,411,942	1,824,774	8,587,168	0.26%	202
2021	7,957,998	1,818,818	6,139,180	0.18%	137

Source: City Finance Department

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

Notes:

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

City of Fairfield, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairfield
Butler County	\$11,450,520	12.51%	\$1,432,460
Hamilton County	140,675,000	0.00%	0
Fairfield Township	2,670,000	0.00%	0
Fairfield City School District	59,226,000	68.67%	40,670,494
Lakota Local School District	92,099,740	0.32%	294,719
Northwest L School District	70,995,000	0.00%	0
Butler Tech and Career Center Jt. Voc. School District	0	10.61%	0
Subtotal Overlapping Debt	377,116,260		42,397,673
City of Fairfield - Direct Debt	7,957,998	100.00%	7,957,998
Total Direct and Overlapping Debt	\$385,074,258		\$50,355,671

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Current Calendar Year

Assessed Value	\$1,215,071,890	\$1,215,071,890
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	127,582,548	66,828,954
Debt Applicable to Limit:		
Gross Indebtedness	7,957,998	7,957,998
Less: Restricted for Debt Service (2)	1,818,818	1,818,818
Total Net Debt Applicable to Limit	6,139,180	6,139,180
Legal Debt Margin	\$121,443,368	\$60,689,774

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Limit (1) Debt Limit (10.5%)	\$100,225,906	\$99,612,200	\$99,676,431	\$98,869,048	\$99,206,197	\$104,925,556	\$110,070,737	\$108,600,096	\$127,061,630	\$127,582,548
Total Net Debt Applicable to Limit	24,462,392	22,755,891	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180
Legal Debt Margin	\$75,763,514	\$76,856,309	\$79,029,135	\$80,385,347	\$82,945,688	\$90,247,265	\$98,817,144	\$98,735,484	\$118,474,462	\$121,443,368
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.4%	22.8%	20.7%	18.7%	16.4%	14.0%	10.2%	9.1%	6.8%	4.8%
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Unvoted Debt Limit (1) Debt Limit (5.5%)	\$52,499,284	\$52,177,819	\$52,211,464	\$51,788,549	\$51,965,151	\$54,961,006	\$57,656,100	\$56,885,765	\$66,556,091	\$66,828,954
Total Net Debt Applicable to Limit	24,462,392	22,755,891	20,647,296	18,483,701	16,260,509	14,678,291	11,253,593	9,864,612	8,587,168	6,139,180
Legal Debt Margin	\$28,036,892	\$29,421,928	\$31,564,168	\$33,304,848	\$35,704,642	\$40,282,715	\$46,402,507	\$47,021,153	\$57,968,923	\$60,689,774
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	46.6%	43.6%	39.5%	35.7%	31.3%	26.7%	19.5%	17.3%	12.9%	9.2%

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

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

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2012	\$506,161	\$0	\$0	N/A
2013	369,777	0	0	N/A
2014	676,237	0	0	N/A
2015	447,881	0	0	N/A
2016	383,176	0	0	N/A
2017	353,787	0	0	N/A
2018	298,208	0	0	N/A
2019	329,318	0	0	N/A
2020	325,955	0	0	N/A
2021	353,456	0	0	N/A

Source: County Auditor

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

N/A - Information not available

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2012	42,510	\$14,398,043	\$38,852	6.00%
2013	42,510	14,592,549	39,304	7.10%
2014	42,510	15,294,977	40,878	4.50%
2015	42,510	15,631,343	41,534	4.50%
2016	42,510	16,411,074	43,423	4.10%
2017	42,510	17,089,200	44,900	4.70%
2018	42,510	18,127,599	47,408	4.20%
2019	42,510	18,829,414	49,146	4.10%
2020	42,510	N/A	N/A	0.00%
2021	44,907	20,284,408	52,598	3.10%

Sources:

(1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)

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

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

(4) - Ohio Bureau of Employment Services

N/A - Information not available

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

2021

Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(3)	(4)
Cincinnati Financial Corp	Govt	(3)	(4)
Cornerstone Brands Inc	Ins	(3)	(4)
Ft Hamilton Memorial Hospital	Trade	(3)	(4)
GE Aviation	Govt	(3)	(4)
Lakota Local Schools	Serv	(3)	(4)
Liberty Mutual/Ohio Casualty Corp	Mfg	(3)	(4)
Mercy Regional Hospital	Govt	(3)	(4)
Miami University	Serv	(3)	(4)
MillerCoors	Govt	(3)	(4)
Tyson Foods	Ins	(3)	(4)
Univ. Cincinnati Medical Center	Serv	(3)	(4)

2012

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

Source: Ohio Department of Development

(1) - For all of Butler County

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

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

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

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

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
City Administration	5	5	5	10	10	12	12	11	9	8
City Council	2	2	1	1	1	1	1	1	1	1
Engineering	6	6	6	6	6	6	6	6	6	6
Facility/Janitors	2	2	1	1	1	1	1	2	1	2
Municipal Court	20	19	20	20	20	20	20	20	19	19
Finance	21	21	21	16	18	17	18	17	15	17
Public Safety										
Police										
Officers	58	58	57	57	58	58	60	60	61	63
Non-Sworn	20	20	20	20	20	18	19	19	20	21
Fire	29	29	28	27	28	31	34	34	34	44
Leisure Time Activities										
Parks and recreation	20	20	20	20	19	18	18	19	20	20
Community Development										
Planning and Zoning	4	4	4	4	3	4	4	4	3	4
Building Inspection	8	8	8	8	8	8	8	9	8	7
Economic Development	1	1	1	1	1	1	1	1	1	1
Basic Utility Service										
Water	21	19	18	20	21	21	21	31	20	20
Wastewater	21	21	22	22	21	21	22	31	20	20
Transportation and Street Repair	27	27	27	28	27	28	28	29	27	27
Total	265	262	259	261	262	265	273	294	265	280

Source: City Finance Department

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community Environment										
Planning and Development										
Building permits issued	2,068	1,771	1,720	1,712	1,834	1,838	1,882	1,657	1,975	1,889
Building inspections conducted	2,904	2,820	2,542	2,554	3,229	3,477	2,858	2,502	2,454	2,956
Economic Development										
Value of Residential Construction	\$8,020,432	\$6,689,302	\$5,589,157	\$7,516,667	\$9,058,653	\$9,667,134	\$8,551,521	\$8,600,413	\$11,677,983	\$13,795,344
Value of Commercial Construction	\$22,505,453	\$27,617,808	\$25,374,335	\$35,644,173	\$122,371,102	\$56,811,744	\$49,150,566	\$39,144,492	\$38,068,302	\$85,216,371
General Government										
Finance Department - Income Tax										
Income Tax Refunds	1,063	928	959	1,022	847	819	985	1,417	800	743
Dollar Amount of Refunds	\$493,998	\$475,670	\$3,322,818	\$1,538,826	\$564,945	\$1,477,354	\$623,538	\$1,403,977	\$621,047	\$669,008
Average Refund Amount	\$465	\$513	\$3,465	\$1,506	\$667	\$1,804	\$633	\$991	\$776	\$900
Court										
Number of Criminal Cases	3,359	3,215	3,590	2,869	3,303	3,464	4,065	3,682	2,988	2,637
Number of Civil Cases	1,459	1,223	1,185	1,152	1,188	1,306	1,438	1,833	1,086	1,129
Construction Services										
Square Footage of Sidewalk Repairs	13,951	24,976	17,460	19,036	25,700	13,800	10,906	24,019	11,588	5,900
Securities of Persons and Property										
Police										
Physical arrests:										
Adult	2,802	2,732	2,485	2,430	2,851	3,509	3,461	3,979	3,395	1,039
Juvenile	222	258	295	255	265	286	279	49	139	180
Citations	2,310	3,043	2,842	2,980	3,048	3,450	3,609	3,948	1,718	2,173
Accidents	1,237	1,144	1,322	1,440	1,358	1,386	1,447	2,039	1,626	1,793
Fire										
Emergency responses	5,465	5,437	5,870	4,972	5,593	6,089	5,453	5,956	5,323	5,988
Fire Calls	906	866	944	915	806	873	1,002	971	930	975
Inspections	1,526	1,855	1,934	1,846	1,460	1,441	1,752	1,427	938	1,427
Transportation										
Public Works										
Number of Street Miles Resurfaced	4	13	15	12	11	14	32	24	26	24
Tons of Street Salt Used	1,177	4,686	4,315	4,368	2,213	1,197	4,286	3,815	852	3,977
Cubic Yards of Leaves Picked-up	3,952	3,959	4,152	5,346	5,676	4,150	6,081	5,040	4,404	4,797

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Leisure										
Parks and Recreation										
Number of Theater Patrons	14,345	12,195	14,120	14,158	15,336	13,562	12,630	13,615	2,213	9,633
Number of Pool Admissions	34,838	24,090	24,641	26,511	26,062	24,893	29,621	38,984	0	31,450
Program Attendance:										
Youth/Preschool	21,796	20,073	20,805	19,418	20,570	20,946	22,647	19,079	4,198	10,119
Fitness	12,479	9,636	8,976	5,659	5,838	6,600	8,502	6,656	2,207	5,316
Senior Activities	16,323	18,047	17,898	19,160	19,896	20,500	20,540	20,258	4,458	3,237
Water										
Water main breaks	57	64	81	56	71	59	72	59	55	65
Average daily consumption (millions of gallons)	5.149	5.068	4.998	4.597	5.219	5.430	5.340	5.650	5.650	5.780
Peak daily consumption (millions of gallons)	8.282	7.746	6.978	6.884	7.256	7.319	8.280	8.050	7.820	8.400
Wastewater										
Average daily sewage treatment (millions of gallons)	4.955	5.323	5.182	5.216	4.779	5.133	5.791	5.870	5.230	5.330

Source: Various City Departments

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Municipal Building (square footage)	19,284	19,284	19,281	19,284	19,284	19,284	19,284	19,284	19,284	19,284
Municipal Building Annex (square footage)	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033	50,033
Police Cruisers	24	24	21	25	28	24	24	24	24	24
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Engines	4	4	4	4	4	4	4	4	4	4
Number of EMS Vehicles	4	4	4	4	4	4	4	4	4	5
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	20.85
Streets (miles)	160.7	166.3	166.3	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Highways (miles)	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27	7.27
Streetlights	2,962	2,962	2,983	2,983	2,986	2,986	2,986	2,995	3,005	3,021
Traffic signals	61	61	63	61	61	61	61	61	61	61
Parks and Recreation										
Number of Parks	26	29	29	37	35	35	36	37	37	30
Area of Parks (acreage)	577	676	538	665	659	827	827	839	839	736
Playgrounds	15	14	21	14	14	14	14	15	15	15
Baseball/softball diamonds	16	18	21	20	20	20	20	20	20	20
Soccer/football fields	11	12	17	15	15	15	15	15	15	15
Aquatic Center /Swimming pools	1	1	1	1	1	1	1	1	1	1
Community Arts centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Storage Capacity (millions of gallons)	7	7	7	7	7	7	7	7	7	7
Water Mains (miles)	172	172	169	169	169	170	170	189	189	189
Fire hydrants	1,965	1,966	2,000	2,000	2,000	2,000	2,000	1,981	1,981	1,982
Sewers										
Treatment Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Sanitary Sewers (miles)	175	175	175	175	175	175	175	175	175	175

Source: Various City Departments

OHIO AUDITOR OF STATE KEITH FABER



CITY OF FAIRFIELD

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/16/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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