



**CITY OF FAIRFIELD
BUTLER COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the City Council:

We have audited the financial statements of the City of Fairfield, Butler County, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated May 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated May 2, 2000.

City of Fairfield
Butler County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, City Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

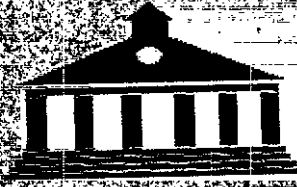
May 2, 2000



City of Fairfield, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 1999



Introductory Section

CITY OF FAIRFIELD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 1999

Prepared by

DEPARTMENT OF FINANCE

James A. Hanson, Director

**CITY OF FAIRFIELD
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 1999**

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May 2, 2000

The Honorable Robert Wolpert, Mayor
Members of City Council
City of Fairfield
5350 Pleasant Avenue
Fairfield, Ohio 45014

The Comprehensive Annual Financial Report of the City of Fairfield, Ohio for the fiscal year ended December 31, 1999 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 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.

THE REPORTING ENTITY

A basis for preparing the Comprehensive Annual Financial Report for the City of Fairfield was the identification of the reporting entity. Various potential component units were evaluated to determine whether they should be reported in the City's Comprehensive Annual Financial Report. A component unit was considered to be part of the City's reporting entity when it was concluded that the City was financially accountable for the entity or the nature and significance of the relationship between the City and entity was such that exclusion would cause the City's financial statements to be misleading or incomplete. This report includes all of the funds and account groups of the City of Fairfield.

The City of Fairfield is a political subdivision of the State of Ohio, which provides public safety, public service and general government to its approximately 45,000 residents. In addition to general government activities, the City operates water and sewer utility and a public golf course.

THE REPORTING ENTITY(continued)

The Fairfield School District and the Lane Public Library of Butler County have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis

INDEPENDENT AUDIT

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

FUND STRUCTURE

The City's accounting system is organized and operated on the "fund basis" which is the basic fiscal and accounting entity in governmental accounting. The classification of said funds follows:

CATEGORY	FUND TYPE
Governmental Funds	General, Special Revenue, Capital Projects, Debt Service
Proprietary Funds	Enterprise, Internal Service
Fiduciary Funds	Trust and Agency

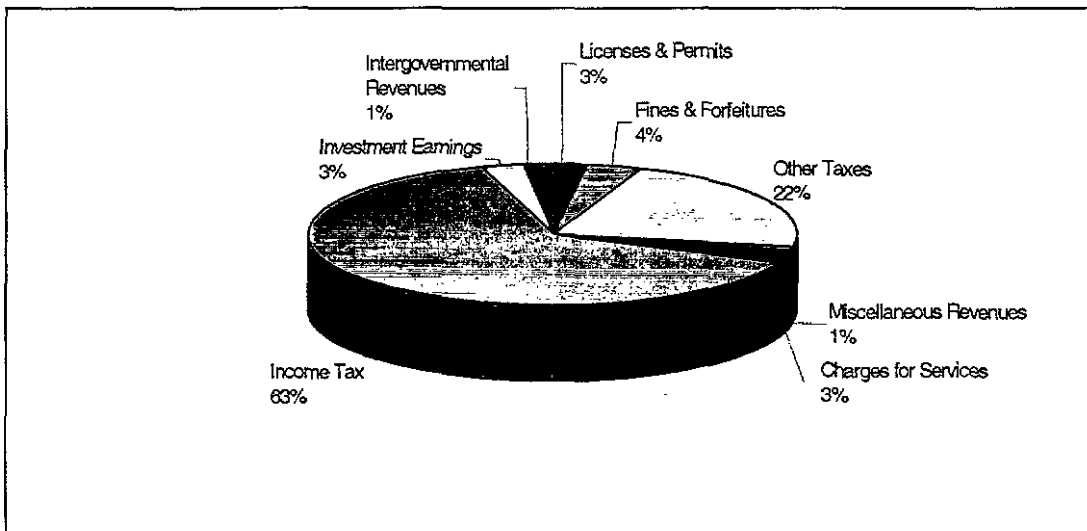
Included in Notes 1 and 2 of the Notes to Financial Statements are the description of all the City's fund types and a summary of the significant accounting policies.

GENERAL AND SPECIAL REVENUE FUNDS

General Fund-Revenues

Income tax revenues produced 63.7% of the General Fund's total revenues compared to 62.6% last year. The \$894,024 or 9.9% increase in Income Tax is the result of the growing employment base experienced with the arrival and relocation of businesses to the City of Fairfield. The \$351,106 or 11.5% increase in Other Taxes is the result of a new alternate formula implemented by the County Budget Commission to distribute local government funds to political subdivisions in the county. The \$117,541 or 36.1% increase in Charges for Services is the result of billings made as a result of the City's sidewalk reconstruction project taking place in the City in 1999. The \$79,308 or 14.5% decrease in Investment Earnings is the result of a decrease in the amount of monies available to invest from the General Fund. The \$18,552 or 19.6% increase in Intergovernmental Revenues is the result of federal grant programs, which provide funding for the hiring of public safety personnel. The sources of revenues and variances from last year with all comparisons, are shown in the following tabulation:

REVENUES	1999	1998	AMOUNT	PERCENT
Income Tax	\$9,930,687	\$9,036,663	\$894,024	9.9%
Other Taxes	3,401,687	3,050,581	351,106	11.5
Intergovernmental Revenues	113,432	94,880	18,552	19.6
Licenses and Permits	503,586	504,443	(857)	(.2)
Charges for Services	443,094	325,553	117,541	36.1
Fines and Forfeitures	604,470	588,048	16,422	2.8
Investment Earnings	467,334	546,643	(79,309)	(14.5)
Miscellaneous Revenues	134,327	280,304	(145,977)	(52.1)
Totals	\$15,598,617	\$14,427,115	\$1,171,502	8.1%

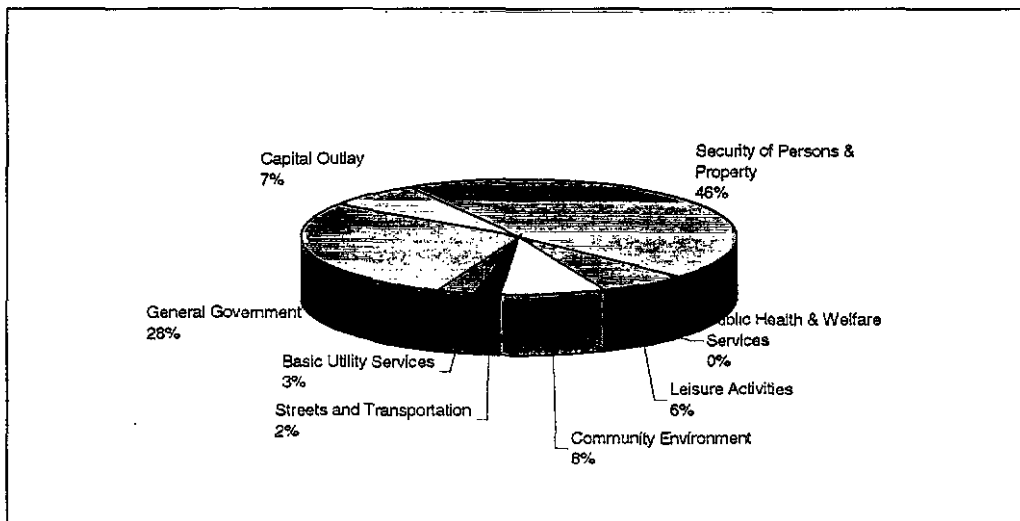


GENERAL AND SPECIAL REVENUE FUNDS (Continued)

General Fund-Expenditures

Expenditures of the General fund excluding other financing uses in 1999 were \$12,179,440, an increase of 19.2% over 1998. In 1999, \$5,500,018 was expended from the General Fund for Police and Safety Services (Security of Persons and Property), which was a \$571,537 or 11.6% increase resulting from an increase in the personnel costs as a result of hiring additional officers. The significant increases of \$148,927 or 18.5% in Community Environment resulted from an increase in additional personnel in the Building Inspection Division, which expanded operations in 1998. The \$396,805 or 13% increase in General Government reflects increases in the number of administrative personnel. In 1999, \$250,300 was expended from the General Fund for Streets and Transportation; this amount represents a subsidy granted to the Butler County Regional Transit Authority for providing bus service to the residents of the City. The \$572,714 or 190.9% increase in Capital Outlay reflects the administration's decision to program more monies from the General Fund for land acquisition, equipment purchases and capital improvements. The following reflects levels of expenditures in 1999 and 1998:

EXPENDITURES	1999	1998	AMOUNT	PERCENT
Security of Persons & Property	\$5,500,018	\$4,928,481	\$571,537	11.6%
Public Health & Welfare Services	27,521	27,822	(301)	(1.1)
Leisure Activities	788,275	772,473	15,802	2.0
Community Environment	955,929	807,002	148,927	18.5
Basic Utility Services	342,155	338,654	3,501	1.0
Streets and Transportation	250,300		250,300	
General Government	3,442,482	3,045,677	396,805	13.0
Capital Outlay	872,760	300,046	572,714	190.9
Totals	\$12,179,440	\$10,220,155	\$1,959,285	19.2%



GENERAL AND SPECIAL REVENUE FUNDS (Continued)

Special Revenue Funds

The revenues of the Special Revenue Funds are derived from specific sources and are designated for specific uses. Special Revenue Funds consist of the following:

Street Construction, Maintenance and Repair Fund
State Highway Improvement Fund
Fire Levy Fund
Paramedical Services Levy Fund
Tax Recreation Fund
County Motor Vehicle Registration Fee Fund
Municipal Motor Vehicle Registration Fee Fund
Community Development Block Grant Fund
Law Enforcement & Education Fund
Drug & Alcohol Treatment Fund
Law Enforcement Fund
Local Law Enforcement Fund

Special Revenue Funds had revenues of \$3,767,944 and expenditures of \$4,695,486 in 1999.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 1999.

CASH MANAGEMENT

Excluding investments held by trustees, cash temporarily idle during the year 1999 was invested in State Treasury Asset Reserves or Repurchase Agreements (collateralized by U.S. Treasury Bills). As of year-end, State Treasury Asset Reserves made up 24.2% of the City's total investments, U.S. government securities 44.4%, certificates of deposits 27.4%, money market accounts 1.1% and repurchase agreements 2.9%. Yields on these investment instruments ranged from 4.90% to 6.50%. The amount of interest earned during the year was \$2,516,471 as compared to \$2,328,969 earned in 1998.

DEBT ADMINISTRATION

The ratio of net debt to assessed valuation and net debt per capita is useful indications of the City of Fairfield's debt position to all interested parties. The data for the City of Fairfield as of December 31, 1999 was as follows:

Estimated 1999 Population	45,000
Assessed Valuation	756,896,161
Total General Obligation (G.O.) Debt	6,450,000
Less Amount Available in Debt Service Fund	353,384
Net General Obligation Debt	6,096,616
Ratio of Net G.O. Debt to Assessed Valuation	.81%
Debt per Capita	\$135.48

The City's total debt at the close of 1999 included the above mentioned \$6,096,616 in net General Obligation debt, \$405,000 in special assessment bonded debt and \$22,079,505 in enterprise debt. The City's General Obligation bonds continue to have an excellent rating, which they have carried for the past several years. In 1999, Moody's Investor's Service upgraded the City's bonds to carry an "Aa3" credit rating.

CITY INCOME TAX

The 1.5% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City. In November of 1990, the citizens of Fairfield voted to change the distribution of the income taxes, which allocated monies to the Sewer Funds. The current 1.5% tax rate is now subdivided into three components. The first 1.0% is used for operating expenses of the General fund. Next, .3% is used for street construction, improvement and repair. Third, .2% of the tax is earmarked for capital improvements of a permanent nature.

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

	1999	1998	1997
Allocated to General Fund	\$9,930,687	\$9,036,663	\$8,399,717
Allocated to .3% Street Fund	3,017,366	2,711,006	2,519,915
Allocated to .2% Capital Improvement Fund	2,011,578	1,807,360	1,679,944
Gross Revenues	\$14,959,631	\$13,555,029	\$12,599,576

GENERAL FIXED ASSETS

The General Fixed Assets of the City are those fixed assets used in the performance of General Governmental functions and exclude the fixed assets of the Enterprise Funds. As of December 31, 1999, the assets of the City amounted to \$26,996,594. This represents the original cost of the assets and is considerably less than their present value. Depreciation of the General Fixed Assets is not recognized in the City's accounting system.

UTILITY ENTERPRISE OPERATIONS

The City's water, sewer and solid waste management utility showed a slight increase of 1.2% in operating revenues due to a solid waste rate increase implemented in January of 1999. Comparative data for the years ending December 31, 1999 and 1998, are presented in the following tabulation:

	Year Ended 12/31/99	Year Ended 12/31/98
Operating Revenues	\$8,453,386	\$8,085,784
Operating Expenses	7,141,888	6,968,885
Operating Income	1,311,498	1,116,899
Net Income	2,231,896	2,349,326
Income Available for Debt Service (1)	3,936,529	3,360,068
Annual Debt Service	1,960,013	1,743,229

(1) Amount includes operating income (loss), interest and depreciation expense, permits, grants, and other revenues/expenses.

RECREATION ENTERPRISE OPERATIONS

The recreation facilities net loss in 1999 was (\$6,292) as compared to net income of \$79,363 in 1998 was the result of additional operating costs associated with the family aquatic center facility. Comparative data for the years ending December 31, 1999 and 1998, are presented in the following tabulation:

	Year Ended 12/31/99	Year Ended 12/31/98
Operating Revenues	\$1,348,304	\$1,346,445
Operating Expenses	1,354,065	1,259,527
Operating Income (Loss)	(5,761)	86,918
Net Income (Loss)	(6,292)	79,363
Income Available for Debt Service (1)	211,830	145,429
Annual Debt Service	191,060	211,329

(1) Amount includes operating income (loss), interest and depreciation expense, permits, and other revenues/expenses.

RISK MANAGEMENT

By statute and court decisions, Ohio retains only limited tort immunity for local government. In addition to potential tort liabilities, the City is liable for employees' Workers' Compensation claims, plus the risk of casualty loss to real and personal property owned by the City, and must provide faithful performance bonds for certain City officials. The City must also manage the risk of medical expense claims by employees eligible for health care coverage as a fringe benefit.

FIDUCIARY OPERATIONS

Fiduciary Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. At December 31, 1999, assets held by these funds totaled \$84,402. Liabilities relating to these funds amounted to \$81,942.

SIGNIFICANT EVENTS

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

- 1) The City continued its strong efforts to attract and retain quality economic development throughout 1999. The Rural Enterprise Zone Tax Incentive Program was widely used in 1992 through 1999 to encourage business to locate in the City of Fairfield. As a result of this initiative, the City has created 2,111 new jobs and retained 2,942 jobs.
- 2) The City finished construction on a new **Public Works Facility**, which cost the City approximately \$2.5 million. Included in the new facility is a truck barn, road salt storage building and new administrative offices for Public Works, Streets and Transportation and Engineering Departments.
- 3) The City continued construction on approximately \$15 million of wastewater system improvements, which was begun in 1996. This is the single largest project in the history of Fairfield. The project is designed to increase sewer capacity for expected growth
- 4) The City completed construction of the **Winton Road Flood Retention Basin** at a cost of approximately \$2 million. The detention was constructed to handle storm water runoff for 100-year rain event and to alleviate flooding problems along the Pleasant Run Creek.

ECONOMIC OUTLOOK

The City of Fairfield's standards for services are considered excellent and its tax rates compare favorably to other area governments. The City of Fairfield is located in the southwestern part of the state, which ranks as one of the top growth areas in Ohio. The economic condition and outlook of the City have substantially improved during the past five years, following several years of slower economic growth attributable to a general decline in manufacturing activities. This year alone, for example, a number of services related firms have started or expanded activities in the area. This growth has had a positive effect on the government's tax base.

The City's Income Tax has remained stable over the last few years, and this trend is expected to gradually improve with the development of various commercial and industrial facilities in the City.

FUTURE PROJECTS

Significant capital projects in 2000 include the following:

- 1) Construction continues on the **Water System Improvement Project**, which requires the expansion to double the size of the current water plant to provide additional capacity in order to service the industrial area of the City. The project is estimated to cost \$6.7 million and should be completed in early 2000.
- 2) Part of the **Winton Road Flood Retention Basin** mentioned above, includes the construction of a nine-hole executive golf course. The project is estimated to cost \$1.5 million and should begin in 2000 and completion is scheduled for July of 2001.
- 3) The City of Fairfield will continue construction on a new **Fire Station** to replace one of three stations located in the City of Fairfield. The station being replaced is over 25 years old and does not have adequate facilities to accommodate the Fire Department's equipment and fleet. The estimated cost to build the new station is \$1.5 million and should be completed in July of 2000.
- 4) The City of Fairfield will continue construction on a new **Public Library**, which will be leased back to the Lane Public Library System. The new library will be 25,000 square feet and is being constructed to accommodate the growing population of the City. The estimated cost to build the new library is \$4.5 million and should be completed in 2001.


CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairfield for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 1998. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

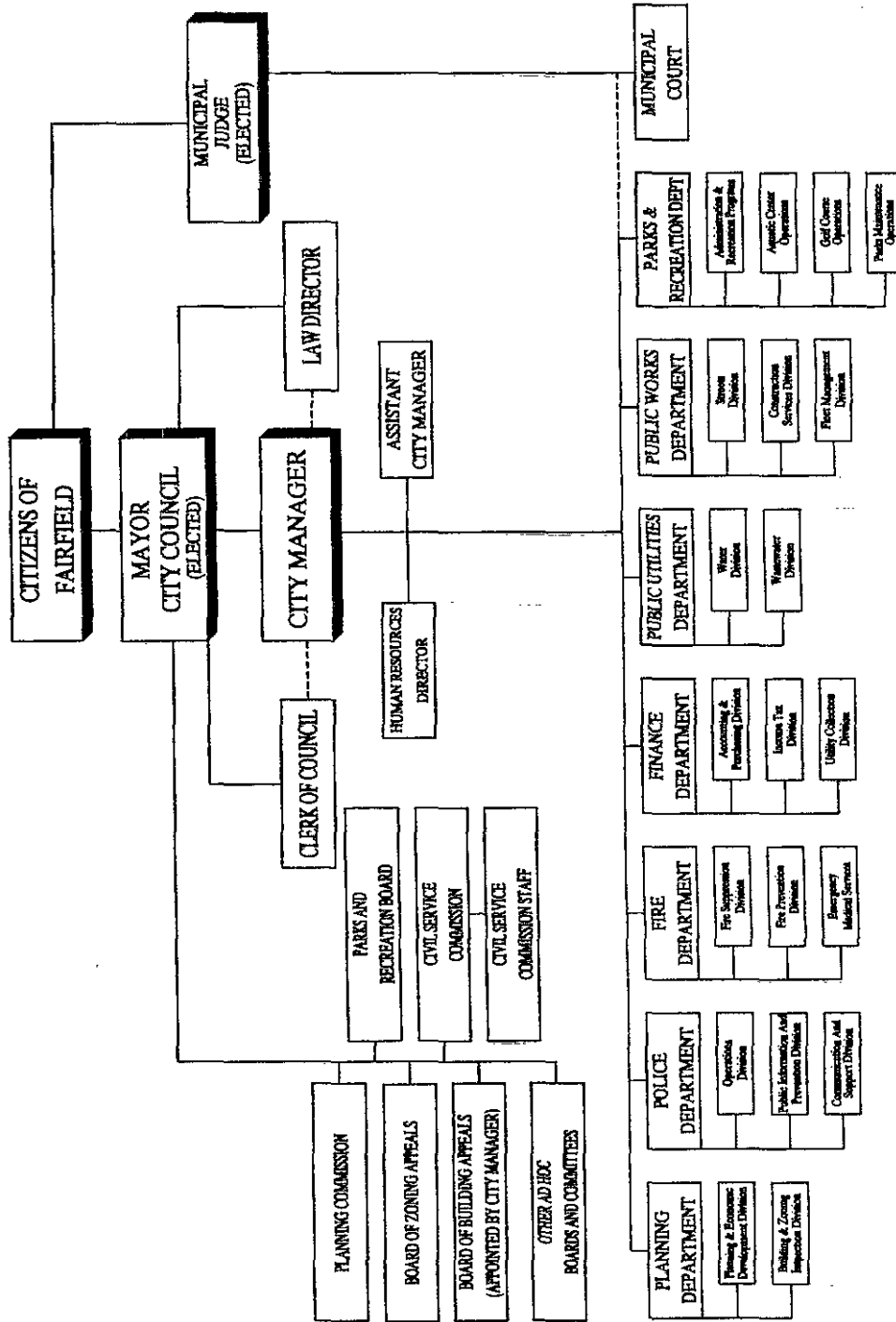
ACKNOWLEDGEMENTS

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

Respectfully submitted,
CITY OF FAIRFIELD


James A. Hanson
Director of Finance

CITY OF FAIRFIELD, OHIO ORGANIZATIONAL CHART



11 / 99

REVISED

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairfield,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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



Carol Brueck
President

Jeffrey L. Esler
Executive Director



Financial Section



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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Fairfield, Butler County, Ohio (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Fairfield, Butler County, Ohio as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2000 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

Jim Petro
Auditor of State

May 2, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

**EXHIBIT 1
CITY OF FAIRFIELD
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTAL	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	LONG TERM DEBT	MEMORANDUM ONLY			
										1999	1998		
ASSETS AND OTHER DEBITS													
Assets:													
Equity in Pooled Cash and Deposits	\$38,106	\$58,144	\$138,016	\$133,944	\$233,825	\$17,225	\$84,402			\$703,461	\$1,732,471		
Equity in Pooled Investments	6,257,035	2,120,000	1,110,000	14,986,000	17,380,000	280,000				42,062,035	41,653,000		
Receivables					934,076					963,984	975,602		
Accounts	28,908	28,778		237,358	227,879					573,981	467,032		
Accrued Interest	80,166	1,824,181								2,784,101	2,766,583		
Taxes	938,820		521,095							521,095	657,701		
Special Assessments					548,182					548,182	1,163,358		
Loan										82,731	124,646		
Due From Other Funds	40,354		43,377							119,520	111,388		
Inventory					159,982					159,982	175,889		
Issuance Costs													
Restricted Assets					23,853					23,853	74,508		
Cash & Deposits					2,185,706					2,185,706	2,034,782		
Investments					61,139,814					78,138,208	87,403,485		
Property, Plant & Equip., Net													
Other Debits:													
Amount Available in Debt Service Fund										1,244,386	1,165,402		
Amount To Be Provided to Retire Long-Term Debt										4,615,614	529,598		
Amount To Be Provided to Retire Other Obligations										1,053,049	973,822		
TOTAL ASSETS AND OTHER DEBITS	\$7,394,489	\$4,031,103	\$1,812,487	\$15,356,362	\$72,929,217	\$277,225	\$84,402	\$6,913,049	\$135,784,868	\$121,282,427			
LIABILITIES, EQUITY & OTHER CREDITS													
Liabilities:													
Accounts Payable	\$73,622	\$141,086		\$136,876	\$250,862	\$8,887				\$618,133	\$826,980		
Accrued Liabilities			\$47,008		53,989	12,642				113,637	185,588		
Accrued Payroll, Vacation and Sick Leave	687,307	176,516		43,377	523,876	20,271				2,480,819	2,341,705		
Due to Other Funds					20,177		\$49,354			82,731	124,646		
Due to Other Governmental Units	939,820	1,824,181	521,095				15,242			35,419	49,319		
Deferred Revenues										3,285,186	3,445,156		
Deposits Payable				985,000	109,825		17,348			127,271	142,291		
Notes Payable					1,900,000					2,865,000	5,250,000		
Current Portion of Long-Term Debt					1,144,385					1,144,385	1,064,742		
Long-Term Debt					19,035,110					24,865,110	20,655,300		
TOTAL LIABILITIES	1,700,849	2,141,783	568,101	1,175,253	23,046,834	39,700	81,842	6,913,049	35,667,811	33,408,828			
Equity & Other Credits:													
Contributed Capital										8,743,786	8,705,862		
Investment in General Fixed Assets					8,743,786					26,998,594	20,966,846		
Retained Earnings										2,181,362	2,068,880		
Reserved Due to Restricted Assets					2,181,362	255,727				38,857,105	36,846,033		
Reserved for Claims					38,867,105					6,800,200	5,282,037		
Unreserved										1,244,386	1,165,402		
Fund Balance	554,703	150,984	1,244,386	6,194,503						14,848,087	12,681,165		
Reserved for Encumbrances													
Reserved for Debt Service													
Unreserved													
Designated for Future Projects	5,138,937	1,738,328		7,986,546		(18,202)	2,480			100,127,257	87,854,401		
Undesignated													
TOTAL EQUITY & OTHER CREDITS	5,693,640	1,889,320	1,244,386	14,181,049	49,882,283	237,525	2,480	\$26,998,594	35,667,811	\$135,784,868	\$121,282,427		
TOTAL LIABILITIES, EQUITY & OTHER CREDITS	\$7,394,489	\$4,031,103	\$1,812,487	\$15,356,362	\$72,929,217	\$277,225	\$84,402	\$6,913,049	\$135,784,868	\$121,282,427			

See accompanying notes to financial statements.

EXHIBIT 2
CITY OF FAIRFIELD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1999

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTAL	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		EXPENDABLE TRUST	MEMORANDUM ONLY 1999
REVENUES							
Taxes	\$13,332,374	\$3,485,732		\$5,028,944		\$21,847,050	\$20,178,989
Licenses and Permits	503,586	33,546				537,132	539,993
Intergovernmental Revenues	113,432	143,086		228,399		484,917	789,011
Charges for Services	432,979					432,979	325,553
Fines and Forfeitures	604,470	8,308				612,778	609,591
Special Assessments	10,115		\$184,113			194,228	196,335
Investment Earnings	467,334	95,009	58,150	822,401		1,442,894	1,092,893
All Other Revenues	134,327	2,262	2,932	16,777		156,298	543,106
TOTAL REVENUES	15,598,617	3,767,943	245,195	6,096,521		25,708,276	24,275,473
EXPENDITURES							
Current							
Security of Persons and Property	5,500,018	2,700,349				8,200,367	7,144,615
Public Health & Welfare Services	27,521					27,521	27,822
Leisure Activities	788,275					788,275	772,473
Community Environment	955,929					955,929	807,002
Basic Utility Services	342,155					342,155	338,654
Streets and Transportation	250,300	1,748,234				1,998,534	1,732,903
General Government	3,442,462	6,686				3,449,148	3,053,182
Capital Outlay	872,760	240,217		8,968,540		10,081,517	7,197,896
Debt Service							
Principal Retirement			335,000			335,000	540,000
Interest and Fiscal Charges			359,868			359,868	288,815
TOTAL EXPENDITURES	12,179,440	4,695,486	694,868	8,968,540		26,538,334	21,904,162
Excess (Deficiency) of Revenues Over Expenditures	3,419,177	(927,543)	(449,673)	(2,872,019)		(830,058)	2,371,311
Other Financing Sources (Uses)							
Proceeds of Debt				4,500,000		4,500,000	
Proceeds from Sale of Assets				627,309		627,309	
Operating Transfers-In		675,000	528,657			5,203,657	6,562,830
Operating Transfers-Out	(5,080,000)			(528,657)		(5,608,657)	(6,862,830)
Total Other Financing Sources (Uses)	(5,080,000)	675,000	528,657	8,598,652		4,722,309	(300,000)
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(1,660,823)	(252,543)	78,984	5,726,633		3,892,251	2,071,311
Fund Balance, Beginning of Year	7,354,463	2,141,863	1,165,402	8,454,416	2,460	19,118,604	17,047,293
Fund Balance, End of Year	\$5,693,640	\$1,889,320	\$1,244,386	\$14,181,049	\$2,460	\$23,010,855	\$19,118,604

See accompanying notes to financial statements.

EXHIBIT 3
CITY OF FAIRFIELD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 1989

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	\$12,954,448	\$13,681,590	\$727,142	\$3,637,331	\$3,486,732	(\$151,599)
Licenses and Permits	449,400	503,587	54,187	\$30,000	\$27,161	(2,839)
Intergovernmental Revenues	500,000	113,432	(386,568)	\$174,388	\$135,536	(38,852)
Charges for Services	551,400	437,863	(113,537)			
Fines and Forfeitures	691,700	611,277	(80,423)	\$22,750	\$14,693	(8,057)
Special Assessments						
Investment Earnings	350,000	459,812	109,812	\$102,500	\$75,832	(26,668)
All Other Revenues	203,067	246,336	42,278	\$9,900	\$9,813	(87)
TOTAL REVENUES	15,700,005	16,052,897	352,892	3,976,879	3,748,766	(228,113)
EXPENDITURES						
<i>Current</i>						
Security of Persons & Property	5,855,235	5,558,341	296,894	2,754,458	2,693,414	61,042
Public Health & Welfare Services	35,000	27,521	7,479			
Leisure Activities	798,081	777,342	20,739			
Community Environment	1,094,608	1,070,795	23,813			
Basic Utility Services	369,778	342,155	27,623	1,923,792	1,867,188	56,604
Streets & Transportation				27,000	16,201	10,800
General Government	5,726,257	5,428,804	298,353			
Debt Service						
Principal Payment						
Interest & Fiscal Charges						
Capital Outlay						
TOTAL EXPENDITURES	13,880,958	13,206,057	674,901	5,036,562	4,846,403	190,159
Excess (Deficiency) of Revenues over Expenditures	1,819,047	2,846,840	1,027,793	(1,059,683)	(1,097,636)	(37,953)
Other Financing Sources (Uses)						
Proceeds from Sale of Debt						
Operating Transfers-In						
Operating Transfers-Out						
Total Other Financing Uses	(5,150,000)	(5,080,000)	70,000	750,000	675,000	(75,000)
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(3,330,953)	(2,233,160)	1,097,793	(309,883)	(422,636)	(112,953)
Fund Balance, Beginning of Year	7,283,407	7,283,407		2,084,410	2,084,410	
Prior Year Encumbrances Appropriated	616,570	616,570		224,290	224,290	
Fund Balance, End of Year	\$4,569,024	\$5,666,817	\$1,097,793	\$1,999,017	\$1,886,064	(\$112,953)

(Continued)

See accompanying notes to financial statements.

EXHIBIT 3
CITY OF FAIRFIELD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 1999

REVENUES	DEBT SERVICE FUND		CAPITAL PROJECT FUNDS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
Taxes			\$4,990,000	\$5,139,652	\$149,652
Licenses and Permits					
Intergovernmental Revenues			1,000,000	115,980	(884,020)
Charges for Services					
Fines and Forfeitures					
Special Assessments	210,000	246,582	615,500	689,603	74,103
Investment Earnings	57,500	58,149	540,000	756,505	216,505
All Other Revenues					
TOTAL REVENUES	267,500	304,732	7,145,500	6,702,039	(443,461)
EXPENDITURES					
Current					
Security of Persons & Property			1,521,016	1,452,392	68,624
Public Health & Welfare Services					
Leisure Activities					
Community Environment					
Basic Utility Services					
Streets & Transportation					
General Government					
Debt Service					
Principal Payment	2,315,000	2,313,086			1,915
Interest & Fiscal Charges	419,000	385,191	14,655,938	13,821,659	834,180
Capital Outlay			16,176,854	15,274,051	902,804
TOTAL EXPENDITURES	(2,466,500)	(2,403,545)	(9,031,354)	(8,572,011)	459,343
Excess (Deficiency) of Revenues over Expenditures					
Other Financing Sources (Uses)					
Proceeds from Sale of Debt	1,400,000	1,402,932	3,000,000	3,100,000	100,000
Operating Transfers-In	1,030,000	1,078,765	50,000	4,000,000	3,950,000
Operating Transfers-Out			(1,088,089)	(1,078,765)	9,324
Total Other Financing Uses	2,430,000	2,481,697	(1,038,089)	2,021,235	3,959,324
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(36,500)	78,153	(7,069,443)	(2,550,776)	4,418,667
Fund Balance, Beginning of Year	1,169,503	1,169,503	6,917,162	6,917,162	
Prior Year Encumbrances Appropriated			4,421,177	4,421,177	
Fund Balance, End of Year	\$1,133,003	\$1,247,656	\$4,268,896	\$8,787,563	\$4,418,667

See accompanying notes to financial statements.

**EXHIBIT 4
CITY OF FAIRFIELD
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
FOR YEAR ENDED DECEMBER 31, 1999**

	TOTAL			
	MEMORANDUM ONLY			
	ENTERPRISE	INTERNAL SERVICE	1999	1998
Operating Revenues				
Charges for Services	\$9,801,690	\$1,536,869	\$11,338,559	\$10,607,282
Operating Expenses				
Personal Services	2,994,283	307,313	3,301,596	2,937,163
Contractual Services	2,586,668	1,103,961	3,690,629	3,770,383
Materials and Supplies	1,035,308	174,827	1,210,135	904,746
Utilities	571,404		571,404	521,288
Depreciation and Amortization	1,308,290		1,308,290	1,287,150
Total Operating Expenses	8,495,953	1,586,101	10,082,054	9,420,730
Operating Income (Loss)	1,305,737	(49,232)	1,256,505	1,186,552
Non-Operating Revenues (Expenses)				
Interest Revenue	1,066,985	6,591	1,073,576	1,236,076
Interest Expense	(959,278)		(959,278)	(934,372)
Permits	537,160		537,160	607,030
Other Revenues			0	29,766
Total Non-Operating Revenues (Expenses)- Net	644,867	6,591	651,458	938,500
Net Income (Loss) Before Operating Transfers	1,950,604	(42,641)	1,907,963	2,125,052
Operating Transfers from General Fund	275,000	130,000	405,000	300,000
Net Income (Loss)	2,225,604	87,359	2,312,963	2,425,052
Retained Earnings, Beginning of Year	38,912,893	150,166	39,063,059	36,638,007
Retained Earnings, End of Year	41,138,497	237,525	41,376,022	39,063,059
Contributed Capital, Beginning of Year	8,705,892		8,705,892	8,588,968
Proceeds of Grant	37,894		37,894	116,924
Contributed Capital, End of Year	8,743,786		8,743,786	8,705,892
Fund Equity, End of Year	\$49,882,283	\$237,525	\$50,119,808	\$47,768,951

See accompanying notes to financial statements.

EXHIBIT 5
CITY OF FAIRFIELD
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR YEAR ENDED DECEMBER 31, 1999
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	ENTERPRISE	INTERNAL SERVICE	TOTAL	
			MEMORANDUM ONLY	
			1999	1998
Cash Flows from Operating Activities:				
Cash Received from Charges	\$9,866,227	\$1,536,869	\$11,403,096	\$12,939,965
Cash Payments for Refunds	(258,678)		(258,678)	(258,678)
Cash Payments for Goods and Services	(4,037,035)	(1,283,364)	(5,320,399)	(6,603,763)
Cash Payments for Wages and Benefits	(2,979,794)	(287,042)	(3,266,836)	(3,553,878)
Other Operating Revenues	218,181		218,181	218,181
Net Cash Flows from Operating Activities	2,808,901	(33,537)	2,775,364	2,741,827
Cash Flows from Non-Capital Financing Activities:				
Permit Fees Received	537,162		537,162	537,162
Payments from Other Funds	275,000	130,000	405,000	535,000
Net Cash Flows from Non-Capital Financing Activities	812,162	130,000	942,162	1,072,162
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(6,406,366)		(6,406,366)	(6,406,366)
Proceeds from Issuance of Bonds and Notes	3,747,661		3,747,661	3,747,661
Proceeds of Grant	37,894		37,894	37,894
Principal Paid on Bonds and Notes	(1,086,002)		(1,086,002)	(1,086,002)
Interest Paid on Bonds and Notes	(969,271)		(969,271)	(969,271)
Repayment of Notes	(2,350,000)		(2,350,000)	(2,350,000)
Net Cash Flows from Capital and Related Financing Activities	(7,026,084)		(7,026,084)	(7,026,084)
Cash Flows from Investing Activities:				
Payments for Investments	(620,924)	(165,000)	(785,924)	(950,924)
Proceeds from Sale and Maturity of Investments	2,675,000	50,000	2,725,000	2,775,000
Interest on Cash, Deposits and Investments	1,119,535	6,591	1,126,126	1,132,717
Net Cash Flows from Investing Activities	3,173,611	(108,409)	3,065,202	2,956,793
Net Increase (Decrease) in Cash and Cash Equivalents	(231,410)	(11,946)	(243,356)	(255,302)
Cash and Cash Equivalents, Beginning of Year	488,888	29,171	518,059	547,230
Cash and Cash Equivalents, End of Year	\$257,478	\$17,225	\$274,703	\$291,928
Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:				
Operating Income (Loss)	\$1,305,737	(\$49,232)	\$1,256,505	\$1,207,273
Adjustment to reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,308,290		1,308,290	1,308,290
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivables	33,486		33,486	33,486
(Increase) in Inventory	(7,131)		(7,131)	(7,131)
Increase (Decrease) in Accounts Payable	151,731	6,887	158,618	165,505
Increase (Decrease) in Accrued Liabilities		(11,463)	(11,463)	(22,926)
Increase (Decrease) in Accrued Payroll, Sick and Vacation Leave	14,489	20,271	34,760	55,031
Net Cash Flows from Operating Activities	\$2,806,602	(\$33,537)	\$2,773,065	\$2,739,528

See accompanying notes to financial statements.

CITY OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1-DESCRIPTION OF CITY AND BASIS OF PRESENTATION:

A. REPORTING ENTITY

The City of Fairfield, Ohio ("the City") operates as a Home Rule City in accordance with Article XVIII of the Ohio Constitution under a City Manager-Council form of government.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either: a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Blended Component Unit

This type of component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds.

Discretely Presented Component Units

Discretely presented component units are entities separate from the City, but for which the City is financially accountable, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. These component units are reported in separate columns to emphasize that they are legally separate from the City.

The City of Fairfield does not have any component units to be included in its *Comprehensive Annual Financial Report*.

A. REPORTING ENTITY (continued)

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.

B. MEASUREMENT FOCUS

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and the Expendable Trust Fund are accounted for on a spending or "financial flow" measurement focus. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net assets.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities associated with this activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

C. BASIS OF PRESENTATION

The accounts of the City are organized on the basis of funds or groups of accounts. The individual funds are grouped in the financial statements as follows:

GOVERNMENTAL FUNDS

General fund - used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue funds - used to account for the revenue from specific sources (other than special assessments) which are legally restricted for specific purposes.

Debt Service fund - used to account for the payment of principal and interest on certain general obligation and special assessment debt. The principal sources of revenue are income tax revenues transferred from the Capital Projects funds and assessments levied against specific benefited properties.

C. BASIS OF PRESENTATION (continued)

Capital Projects funds - used to account for revenues and expenditures related to the acquisition or construction of major capital facilities (other than those financed by proprietary funds or special assessment funds).

PROPRIETARY FUNDS

Enterprise funds - used to account for operations where the intention is to finance such operations primarily through user charges, or where the City has decided that the periodic determination of revenues, expenses and net income is appropriate.

Internal Service funds - used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

FIDUCIARY FUNDS

Expendable Trust fund - used to account for assets held by the City as a trustee for individuals. The measurement focus of the expendable trust fund is the same as the governmental funds and is, therefore, maintained on the modified accrual basis of accounting.

Agency fund - used to account for funds collected and held by the City as trustee or agent for individuals, private organizations, other governmental units and/or other funds. The Agency fund is purely custodial and does not involve the measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets - used to account for those capital assets with a useful life of greater than one year (other than those accounted for in the proprietary funds).

General Long-Term Debt - used to account for general obligation bonds with maturities in excess of one year (except for those accounted for in the proprietary funds) and other non-current general obligations of the City. These bonds are collateralized by the credit of the City as a whole and are payable from general government resources. Repayment of these bonds is made through earnings taxes.

D. TOTAL (MEMORANDUM ONLY) COLUMNS

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Information in these columns is not intended to and does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such information should not be considered comparable to a consolidation. Comparative data for the prior year has also been provided in the general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Fairfield's financial statements are prepared in accordance with generally accepted accounting principles for state and local governmental units. The following is a summary of the City's significant accounting policies.

A. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Modified Accrual Basis of Accounting - The modified accrual basis of accounting is followed in the Governmental fund types and the Expendable Trust and Agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recognized in the accounting period in which fund liability is incurred, if measurable.

Accrual Basis of Accounting - The accrual basis of accounting is followed in all Proprietary funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.

In accordance with Statement No. 20 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

B. THE BUDGET PROCESS

The City follows these procedures in establishing and legally adopting the budgetary information for the Governmental fund types reflected in the financial statements:

- (1) The Administration prepares the annual budget and submits it to the City Council for adoption. This budget is based upon estimated receipts and expenditures.
- (2) Prior to holding a public hearing on the proposed budget, it is made available for review by the public at the offices of the Clerk of Council.
- (3) City Council holds a public hearing on the proposed budget.
- (4) City Council adopts the budget, by fund, for the following year by ordinance on or before July 15th of each year.
- (5) After adoption, the budget and the ordinance, which is approved, are certified to the County Budget Commission by July 20th. The Commission conducts another public hearing and determines if the budget fairly represents the needs of the City.
- (6) The City accepts and levies the County Budget Commission's estimated necessary tax rate. Their acceptance must be certified to the County Auditor on or before October 1st.
- (7) The Finance Director files a certificate of estimated resources and expenditures for the ensuing year on or about January 1st.
- (8) On or about January 1st, an appropriation measure, by fund, is passed by City Council for the ensuing year. The budgeted amounts by department, division or function reflected in the financial statements and supplemental data include this initial appropriation measure and all revisions thereto for the year, as described below.
- (9) The Finance Director is authorized to transfer budgeted amounts between expenditure categories within any department, division or function; however, any transfers or other revisions that affect the total appropriation measure for any fund must be authorized by City Council. The legal level of control is the fund.

B. THE BUDGET PROCESS (continued)

- (10) Supplemental appropriations are made because of several factors. Amendments to the appropriation ordinance made during the year totaled \$5,100,599 for the General Fund, \$279,370 for Special Revenue Funds and \$11,792,488 for Capital Projects Funds and are reflected in the revised budget amounts in the budget and actual comparisons.
- (11) At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated, and is subject to future appropriation. The encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. The encumbrances appropriated balance is carried forward to the succeeding fiscal year and need not be reappropriated.

C. BUDGET BASIS OF ACCOUNTING

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund, Special Revenue Fund Types, Debt Service Fund and Capital Project Fund Types (Non-GAAP Budgetary Basis) is presented to provide a comparison of actual results with the budget. It is the City's policy to formally budget those funds, which derive their primary revenues from levied taxes. The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts and disbursements

The major differences between the budget basis and the GAAP basis are:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (2) Certain expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (i.e., vacation leave accrued in the current period, which is the GAAP basis);
- (3) Certain revenues and expenditures are recorded (budget) as opposed to being eliminated to conform to GAAP (extinguishment of bonds issued by and then purchased by the City).
- (4) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

B. BUDGET BASIS OF ACCOUNTING (Continued)

The following summarizes the effects on the December 31, 1999 (GAAP Basis) Excess Revenues (Expenditures) and Fund Balances had they been recorded on the City's budget basis of accounting.

**Excess of Revenues and Other Financing Sources
Over Expenditures and Other Uses
December 31, 1999**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>
As Reported (GAAP Basis)	\$(1,660,823)	\$(252,543)	\$ 78,984	\$ 5,726,633
Revenue:				
Received in 1999 accrued in 1998	136,745	9,599	68,485	104,561
Received in 2000 earned in 1999	(159,427)	(28,778)	(43,376)	(237,360)
Expenditures:				
Paid in 1999 accrued in 1998	(682,259)	(176,436)	(72,586)	(2,988,484)
Accrued in 1999 paid in 2000	687,307	176,516	46,646	1,038,377
Outstanding Encumbrances	(554,703)	(150,994)		(6,194,503)
Budgetary Basis	<u>\$(2,223,160)</u>	<u>\$(422,636)</u>	<u>\$78,153</u>	<u>\$(2,550,776)</u>

**Fund Balances
December 31, 1999**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>
As Reported (GAAP Basis)	5,693,640	1,889,320	1,244,386	14,181,049
Revenue:				
Received in 2000 earned in 1999	(159,427)	(28,778)	(43,376)	(237,360)
Expenditures:				
Accrued in 1999 paid in 2000	687,307	176,516	46,646	1,038,377
Outstanding Encumbrances	(554,703)	(150,994)		(6,194,503)
Budgetary Basis	<u>\$5,666,817</u>	<u>\$1,886,064</u>	<u>\$1,247,656</u>	<u>\$8,787,563</u>

D. REVENUE RECOGNITION

Butler County ("the County") is responsible for assessing, collecting and remitting to the City, taxes related to property located in the City (see Note 10). Property taxes levied for 1999 are not collectible and available for appropriation until 2000. Accordingly the uncollected taxes at December 31, 1999 are recorded as Taxes Receivable, net of uncollectibles with a corresponding liability to Deferred Revenues. Special Assessments are recorded as revenues in the year the assessments are collected and received by the City. All other taxes are generally not deemed available until remitted to the City and, accordingly, are recorded when received (See Note 10).

Investment earnings are recorded as earned since they are measurable and available. Interest revenue is allocated to the funds, as authorized by the City Manager and the Director of Finance, based on month-end anticipated excess cash balances.

Licenses and permits, fines and forfeitures, charges for services other than utility services and miscellaneous revenues are recorded when received, as they generally are not measurable until such time.

E. CASH AND INVESTMENTS

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each had maintained its own cash and investment account.

The City has invested funds in the State Treasury Asset reserve of Ohio (STAROhio) during fiscal 1999. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 1999.

F. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the City of Fairfield considers all cash and deposits with financial institutions to be cash equivalents. Certificates of deposits, repurchase agreements, investments with outside investment pools, money market accounts, and U.S. Government securities are considered investments.

G. INVENTORIES

Inventories are stated at the lower of cost or market determined on the first-in, first-out (FIFO) basis and consist principally of chemicals and other water and sewer utility supplies.

H. INTERFUND RECEIVABLES/PAYABLES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and service debt. To the extent that certain transactions had not been paid or received as of December 31, 1999, balances of interfund amounts receivable and payable were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$49,354	
Debt Service Funds:		
General Bond Retirement Fund	43,377	
Capital Project Funds:		
.2% Capital Improvement Fund		\$21,040
.3% Capital Improvement Fund		22,337
Agency Funds:		
Municipal Court Fund		49,354
Total	<u>\$92,731</u>	<u>\$92,731</u>

I. GENERAL FIXED ASSETS

General fixed assets, which consist of property and equipment acquired through expenditures of governmental funds, are recorded at cost or estimated historical cost, or with respect to donated assets, fair market value at date of donation. Public domain infrastructure assets such as roads, sidewalks, drainage systems and improvements other than buildings are not capitalized. Depreciation has not been provided for general fixed assets.

J. PROPERTY AND EQUIPMENT-ENTERPRISE FUNDS

Property and equipment owned by the enterprise funds is stated at cost, or estimated historical cost, or with respect to donated assets, the fair market value at the date of donation. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Improvements other than Buildings	50 years
Buildings and Structures	30 to 50 years
Equipment	5 years

Maintenance and repair costs are charged to expense as incurred. The cost and related accumulated depreciation of property and equipment retired or otherwise disposed of are removed from the accounts with any resulting gain or loss reflected in income.

K. ENCUMBRANCES

Encumbrances for purchase orders, contracts and other commitments are recorded in the governmental funds to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reserves of the fund balances since they do not constitute expenditures or liabilities.

L. RESTRICTED ASSETS:

Restricted assets are those assets required by the bond agreements and trust indentures to be used for payment of revenue bond principal and interest and additional funds provided by management for future bond requirements (See Note 6).

NOTE 3-EQUITY IN POOLED CASH AND DEPOSITS AND INVESTMENTS:

The City follows the practice of pooling cash and investments except for restricted funds generally held by outside custodians on behalf of the Enterprise Funds and the cash of the Municipal Court Agency Fund. Cash and investments are summarized by each fund type in the combined balance sheet as equity in pooled cash and investments.

Cash and Deposits - At year-end, the carrying amount of the City's deposits was \$11,899,334 and the depository balance was \$13,278,443. Of the depository balance, \$200,000 was covered by federal depository insurance; \$13,078,443 was covered by collateral held by third party trustees in single financial institution collateral pools, but not in the City's name, collateralizing all public funds on deposit with the specific depository institution. In accordance with Section 135.18 of the Ohio Revised Code, all deposits with eligible financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. A qualified trustee as defined by state law must hold the collateral.

NOTE 3-EQUITY IN POOLED CASH AND DEPOSITS AND INVESTMENTS:
(continued)

Investments - The City is authorized by state law to make direct investments in U.S. government, federal agency and instrumentality obligations, repurchase agreements in obligations of the U.S. government and federal agencies, obligations of the State of Ohio and the State Treasurer's investment pool. The Director of Finance may enter into repurchase agreements for a period not to exceed thirty days. Such agreements shall be entered into with only eligible financial institutions as defined by state law. At December 31, 1999, the carrying amount of investments consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits with the State Treasury	\$9,710,000	\$1,290,000	\$11,000,000
U.S. Government Securities	19,872,035	385,581	20,257,616
Repurchase Agreement	1,327,980		1,327,980
Money Market Mutual Fund		520,125	520,125
Total	<u>\$31,044,015</u>	<u>\$2,195,706</u>	<u>\$33,105,721</u>

The City's investments are categorized according to credit risk into the following categories: (1) insured or registered, or securities held by the City or its agent (bank trust department) in the City's name; or (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name; or (3) uninsured, unregistered securities held by the counterparty, or its trust department or agent but not in the City's name. Deferred compensation and investments in mutual funds made by a trustee who is managing the Enterprise Fund's restricted assets are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Categorized Investments:					
U.S. Government Securities	\$ 20,257,616			\$ 20,257,616	\$20,048,333
Repurchase Agreement			\$1,327,980	1,327,980	1,327,980
Uncategorized Investments:					
Investments in the State					
Treasurer's Investment Pool				11,000,000	11,000,000
Money Market Mutual Fund				520,125	520,125
Total	<u>\$ 20,257,616</u>		<u>\$1,327,980</u>	<u>\$33,105,721</u>	<u>\$32,896,438</u>

NOTE 3-EQUITY IN POOLED CASH AND DEPOSITS AND INVESTMENTS:
(continued)

Reconciliation of Cash, Cash Equivalents and Investments - The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. The classification of cash and cash equivalents for purposes of this note is based on criteria set forth in GASB Statement Number 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications of this note are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$727,314	\$44,277,741
Investments:		
Repurchase Agreement	(1,327,980)	1,327,980
Certificates of Deposit	12,500,000	(12,500,000)
Per GASB Statement No. 3	<u>\$11,899,334</u>	<u>\$33,105,721</u>

NOTE 4-FIXED ASSETS AND DEPRECIATION:

The changes in the General Fixed Assets Account Group during 1999 were as follows:

	<u>1/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/99</u>
Land	\$ 4,219,521	\$739,950	\$805,296	\$ 4,154,175
Buildings	8,874,041	5,600,774	112,110	14,362,705
Equipment	7,873,284	847,863	241,433	8,479,714
Totals	<u>\$20,966,846</u>	<u>\$7,188,587</u>	<u>\$1,158,839</u>	<u>\$26,996,594</u>

The changes in the Proprietary Fund Type Fixed Assets and Accumulated Depreciation during 1999 were as follows:

	<u>1/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/99</u>
Land	\$ 1,091,351			\$1,091,351
Buildings	25,296,771	\$5,946,533		31,243,304
Improvements	29,967,194	168,858		30,136,052
Construction in Progress	5,860,134	3,188,139	\$3,390,873	5,657,400
Equipment	2,396,458	87,588	37,489	2,446,527
Totals	<u>64,611,908</u>	<u>9,391,088</u>	<u>3,428,362</u>	<u>70,574,634</u>
Accumulated Depreciation	18,175,269	1,297,240	(37,489)	19,435,020
Net	<u>\$46,436,639</u>	<u>\$8,488,949</u>	<u>\$3,390,873</u>	<u>\$51,139,614</u>

NOTE 5-TEMPORARY BORROWINGS:

Under State law and by order of the City Council, the City is authorized to borrow funds on a temporary basis for the following purposes:

- (1) to fund current operating costs prior to the collection of tax revenues by issuance of revenue anticipation notes,
- (2) to fund capital project costs incurred prior to selling permanent debt by issuance of bond anticipation notes, and
- (3) in anticipation of the issuance of special assessment bonds for periods not longer than five (5) years.

The temporary borrowings are general obligations of the City and carry maturity dates limited by statute to not more than twelve months. In accordance with Section 133.32 of the Ohio Revised Code, the City has issued \$995,000 and \$1,900,000 in bond anticipation notes expecting to extinguish this debt with revenues of the Capital Projects and Enterprise Funds, respectively, over a period not to exceed five years.

The temporary borrowings recorded in the Capital Projects Funds as of December 31, 1999 were:

Issue	Interest Rate	Balance Outstanding
Various Purpose Road Improvement Notes	3.75%	\$995,000

The temporary borrowings recorded in the Enterprise Funds as of December 31, 1999 were:

Issue	Interest Rate	Balance Outstanding
Wastewater System Improvement Notes	3.90%	\$ 750,000
Family Aquatic Center Notes	3.90%	1,150,000

The City intends to refinance all notes at their maturity.

The following is a summary of note transactions for the year ended December 31, 1999.

	Capital Projects Funds	Enterprise Funds
Notes/Loans Payable at 1/1/99	\$ 2,900,000	\$ 2,350,000
Additions		1,900,000
Reductions	(1,905,000)	(2,350,000)
Notes/Loans Payable at 12/31/99	\$995,000	\$1,900,000

NOTE 6-LONG-TERM DEBT:

The City of Fairfield has received loans from the Ohio Public Works Commission (OPWC) and from the Ohio Water Development Authority (OWDA). The repayment of the loans will be made over a period of five to twenty years.

On February 26, 1999, the Ohio Environmental Protection Agency approved an additional loan to the City in the amount of \$2,856,572 for improvements to be made to the City's sewer system, the interest rates on the loan is 4.12% with debt services payments amortized over 20 years. Repayment of the debt service on the loan is scheduled to begin January 1, 2000.

The OPWC and OWDA loans recorded in the Enterprise Funds as of December 31, 1999 were:

<u>Issue</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
OPWC Seward Road Water Tank Loan	2.00%	\$ 708,042
OWDA Wastewater Improvement Loans	3.79% - 4.12%	12,971,463
		<u>\$13,679,505</u>

Debt service requirements for the OPWC and OWDA loans for principal and interest in future years are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 704,395	\$ 532,451	\$ 1,236,846
2001	728,667	508,179	1,236,846
2002	753,833	483,013	1,236,846
2003	674,691	456,920	1,131,611
2004	593,344	433,032	1,026,376
2005 - 2009	3,342,763	1,789,117	5,131,881
2010 - 2014	4,067,950	1,063,931	5,131,881
2015 - 2018	2,813,862	238,308	3,052,170
Totals	<u>\$13,679,505</u>	<u>\$5,504,953</u>	<u>\$19,184,628</u>

NOTE 6-LONG-TERM DEBT: (continued)

As of December 31, 1999 the bonds payable of the Enterprise Funds consisted of the following:

<u>Issue</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
Water, Mortgage Revenue Refunding, serial maturities through the year 2003, term bonds in the years 2004 and 2005	3.00% - 6.20%	\$1,835,000
Water, Mortgage Revenue Refunding, serial maturities through the year 2017, term bonds in the years 2013 and 2017	3.76% - 5.05%	\$4,665,000
		<u>\$6,500,000</u>

The Mortgage Revenue Refunding Bonds are payable only from the revenues of the Water Funds. The Mortgage Revenue Refunding Bonds are subject to optional redemption in whole or in part at diminishing premiums from 1% and are collateralized by substantially all of the property of the Water Funds.

Debt service requirements for principal and interest in future years are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 440,000	\$ 323,250	\$ 763,250
2001	460,000	302,425	762,425
2002	485,000	279,875	764,875
2003	510,000	255,470	765,470
2004	535,000	229,010	764,010
2005 - 2009	1,525,000	816,767	2,341,767
2010 - 2014	1,475,000	506,392	1,981,392
2015 - 2017	1,070,000	109,838	1,179,838
Totals	<u>\$6,500,000</u>	<u>\$2,823,027</u>	<u>\$9,323,027</u>

The City, as required by the applicable bond indentures, maintains certain cash balances and investments primarily for debt service and replacement of and improvement to the water system. As of December 31, 1999, the cash balance restricted as required by the Bond Indentures are:

Bond & Interest Fund (restricted)	\$ 694,770
Bond Redemption & Reserve (restricted)	805,968
Totals	<u>\$1,500,738</u>

NOTE 6-LONG-TERM DEBT: (continued)

As of December 31, 1999, debt recorded in the General Long-Term Debt Account Group consisted of:

Issue	Interest Rate	Balance Outstanding
General Obligation Justice Center Acquisition Bonds, serial maturities through 2007	7.00%	400,000
General Obligation Fire Station bonds, serial Maturities through 2010	6.90%	705,000
Various Purpose Bonds, serial maturities through 2015	4.40%	4,350,000
Total General Obligation Bonds		<u>\$5,455,000</u>
Special Assessment Bonds with Governmental Commitment		
Corporate Court, special assessment, serial Maturities through 2001	13.00%	\$ 40,000
LeSaint Drive, special assessment, serial Maturities through 2002	12.625%	70,000
Industrial Park, special assessment, serial Maturities through 2003	9.875%	120,000
Woodridge Blvd. special assessment, serial Maturities through 2006	7.625%	175,000
Total Special Assessment Debt with Governmental Commitment		<u>\$405,000</u>
Total General Obligation & Special Assessment Debt with Governmental Commitment		<u>\$5,860,000</u>

On April 12, 1999, the City issued \$4,500,000 in the General Obligation Bonds. The proceeds of the bonds will be used to build a new fire station estimated to cost \$1,500,000. The balance of the proceeds will be used to retire \$1,400,000 in General Obligation Notes issued to acquire the Public Works Facility and to construct additional structures at the facility site. Repayment of the debt service on the loan is scheduled to begin December 1, 1999.

Debt service requirements for principal and interest in future years are as follows:

Years Ending December 31,	Principal	Interest	Total
2000	\$ 350,000	\$ 313,294	\$ 663,294
2001	355,000	289,088	644,088
2002	345,000	264,945	609,945
2003	330,000	242,546	572,546
2004	310,000	222,732	532,732
2005 - 2009	1,560,000	849,078	2,409,078
2010 - 2014	1,350,000	473,237	1,823,237
2016 - 2018	1,260,000	148,810	1,408,810
Totals	<u>\$5,860,000</u>	<u>\$2,803,730</u>	<u>\$8,663,730</u>

NOTE 6-LONG-TERM DEBT: (continued)

The full faith and credit of the City back the General Obligation Bonds. Special Assessment Bonds are issued for public improvements to specific properties and are general obligations of the City to be funded through special assessments on such properties. The City would be obligated for any debt service, which is not funded by the special tax assessments. In the event of default, a lien is placed on the property and the county at a tax sale eventually sells it. The City is then reimbursed for any special assessment bond payments the City made. The City is subject to certain constitutional and statutory general obligation debt limitations. As of December 31, 1999, the City has not exceeded the debt limitations.

NOTE 7-DEFEASANCE OF BONDS:

Mortgage Revenue Bonds-In prior years, the City defeased certain Mortgage Revenue Bonds by the deposit of Treasury Bonds and Notes with Trustees in an amount sufficient to meet principal and interest payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On December 31, 1999, \$1,190,000 of bonds outstanding is considered defeased.

Special Assessment Bonds-The Special Assessment Fund purchased special assessment sidewalk bonds issued by the City. The value of the bonds at December 31, 1999 was \$134,000. 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 8-CHANGES IN LONG-TERM DEBT:

The following is a summary of bond transactions in the General Long-Term Debt Account of the City for the year ended December 31, 1999.

	<u>General Obligations</u>	<u>Special Assessments</u>	<u>Total</u>
Bonds Payable at 1/1/99	\$1,195,000	\$500,000	\$1,695,000
Bonds Issued	4,500,000		4,500,000
Bonds Retired	(240,000)	(95,000)	(335,000)
Bonds Payable at 12/31/99	<u>\$5,455,000</u>	<u>\$405,000</u>	<u>\$5,860,000</u>

NOTE 8- CHANGES IN LONG-TERM DEBT: (continued)

The following is a summary of bond transactions in the Enterprise Funds of the City for the year ended December 31, 1999.

	<u>Mortgage Revenue Bonds</u>	<u>OPWC and OWDA Loans</u>	<u>Total</u>
Amounts Payable at 1/1/99	\$6,925,000	\$13,100,042	\$20,025,042
Amounts Issued		1,240,206	1,240,206
Amounts Retired	(425,000)	(660,743)	(1,085,743)
Amounts Payable at 12/31/99	<u>\$6,500,000</u>	<u>\$13,679,505</u>	<u>\$20,179,505</u>

The following is a summary of changes in long-term liabilities for Accrued Sick Leave for the year ended December 31, 1999.

	<u>Accrued Sick Leave</u>
Balance at 1/1/99	\$973,822
Amount Incurred	198,799
Amount Retired	(119,522)
Balance at 12/31/99	<u>\$1,053,049</u>

NOTE 9-INDUSTRIAL AND ECONOMIC DEVELOPMENT REVENUE BONDS:

The City issued \$55,712,748 in industrial and economic development revenue bonds for various projects between the years 1973 through 1990. Since 1991, the City has not issued any industrial or economic development revenue bonds. The bonds are not a liability nor are the proceeds of the issues assets of the City and, accordingly, they are not reflected on the City's financial records. Debt service on these issues is payable solely from the revenues of the Company and/or individual for whom the debt was issued.

NOTE 10-PROPERTY TAXES:

Property taxes are levied against all real and public utility property, and tangible personal property used for business purposes and located in the City. Real property taxes are levied each January 1st. The due date and lien date for the 1998 levy was February 15, 1999 for all or one-half of the taxes due. The second half due date was July 15, 1999. Property tax revenues are recognized as a receivable in the year that they are levied. Real property and public utility taxes are levied based on the assessed values listed at the beginning of the year. The County Auditor at 35% of the appraised market value establishes assessed values.

NOTE 10-PROPERTY TAXES: (continued)

The laws of the State of Ohio presently require that all property be revalued no less than every six years, at any time the County Auditor finds that the true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Commissioner of Tax Equalization. Tangible personal property taxes on machinery and equipment and inventories are assessed on 25% of the statutory basis of these assets. Household goods and motor vehicles are excluded from this assessment.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes may be paid on either an annual or semiannual basis. The City Charter limits City Council's authority to levy property taxes as provided by the Constitution and the laws of the State of Ohio.

NOTE 11-EMPLOYEE BENEFITS:

The following note disclosure has been prepared in accordance with Governmental Accounting Standards Board (GASB) No. 27 "Accounting for Pensions by State and Local Governmental Employers".

Plan Descriptions - All employees (except policemen and firemen) of the City are members of the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan, administered by the State of Ohio. Police officers and five full-time firemen are members of the Police and Firemen's Disability and Pension Fund (PFDPF), a cost-sharing multiple-employer defined benefit pension plan, administered by the State of Ohio.

The PERS provides retirement pension and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The PFDPF provides pension and disability benefits annual cost of living adjustments to qualified police and firemen and survivor and death benefits to qualified spouses, children and dependent parents. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code for PERS and Chapter 742 of the Ohio Revised Code for PFDPF.

Eligibility - All full-time employees are eligible and must participate in the State of Ohio PERS or PFDPF plans. Prior to 1991, employees (except policemen and firemen) working less than 20 hours per week or students working less than 1,500 hours per calendar year had the option to exclude themselves from membership.

NOTE 11-EMPLOYEE BENEFITS: (continued)

Effective in 1991, all exemptions were eliminated except for certain qualified students and PERS retirants and retirants from any other Ohio system that are coming into PERS-covered employment to contribute to PERS from the first day of employment.

Funding Policy - The Ohio Revised Code provides statutory authority for the employee and employer contributions. Employees covered under PERS are required to contribute 8.5% of their covered payroll. The current required employer contribution rate for the City is 13.55% of covered payroll. The City's contributions to PERS for the years ending December 31, 1997, 1998 and 1999 were \$787,905, \$833,506 and \$916,951 respectively, equal to the required contributions for each year.

Employees covered under PFDPF are required to contribute 10% of their covered payroll. The total police employer contribution rate under PFDPF is 19.5% of covered payroll and the total firemen's employer contribution rate under PFDPF is 24% of covered payroll. The City's contributions to PFDPF for the years ending December 31, 1997, 1998 and 1999 were \$524,285, \$541,993 and \$611,137 respectively, equal to the required contributions for each year.

The City's current-year covered payroll for employees under PERS was \$6,914,498. The City's current-year covered payroll for employees under PFDPF was \$2,832,470 for Police and \$471,202 for Fire. The City's payroll for the year ended December 31, 1998 was \$10,781,393.

PERS and PFDPF issue stand-alone financial reports that include financial statement and required supplementary information. The PERS financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085. The PFDPF financial report may be obtained by making a written request to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

NOTE 12-POSTEMPLOYMENT BENEFITS:

In addition to the pension benefits described in Note 11, both the Public Employees Retirement System (PERS) and the Police and Firemen's Disability and Pension Fund (PFDPF) provide postretirement health care coverage that is considered to be Other Post-employment Benefits (OPEB) as described in GASB Statement No. 12.

PERS provides health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and primary survivor recipients of such retirants.

NOTE 12-POSTEMPLOYMENT BENEFITS: (continued)

Health care coverage for disability recipients is available. A portion of each employer's contribution to PERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer PERS contributions. The PERS health care funding and accounting is on a "pay-as-you-go" basis. The 1999 employer contribution rate for the City was 13.55% of covered payroll; 4.2% of that was the portion used to fund health care for the year 1999. For the year ended December 31, 1999, the City's actual contribution to fund PERS OPEB was \$38,512.

The Ohio Revised Code provides the statutory authority allowing PFDPF's Board of Trustees to provide health care coverage to all eligible individuals. The PFDPF provides postretirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis.

The Ohio Revised Code provides that PFDPF health care cost paid from the funds of the PFDPF shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firemen's employer contribution rate is 24% of covered payroll.

The PERS OPEB is financed through employer contributions and investment earnings there on. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

PERS unaudited estimated net assets available for future OPEB payments at December 31, 1999, were \$9,870,285,641. Expenditures for OPEB during 1999 were \$523,599,349. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

The PFDPF health care funding and accounting is on a pay-as-you-go basis. Currently, 7.0% of covered payroll, the Board-defined allocation issued to pay retiree health care expense. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 1998 is 11,424 for police and 9,186 for firemen. For the year

NOTE 12-POSTEMPLOYMENT BENEFITS: (continued)

ended December 31, 1999, the City's contribution to fund OPEB was \$185,379 for police and \$27,671 for firemen, which was exactly equal to the required contribution. The PFDPF's total health care expenses for the year ended December 31, 1998, the date of the last actuarial valuation available was \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 13-ACCRUED VACATION AND SICK LEAVE:

Vacation is accumulated based upon length of service at rates from 3.1 hours to 7.7 hours per 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. It is the City's policy to accrue vacation leave benefits in the period they are earned in both the Governmental and the Proprietary Funds.

All full time City employees are credited with 96 sick hours at the beginning of each year. Sick leave accumulation may not exceed 960 hours. Any excess over the 960 maximum is paid to the employee. In the case of death, termination, or retirement an employee, depending on length of service with the City, is paid for his unused sick leave up to a maximum of 960 hours. At December 31, 1999, liabilities of \$223,490 and \$1,053,049 for accrued sick leave benefits have been recorded in the Proprietary Fund Type and the General Long-Term Debt Account Group, respectively, representing the City's commitment to fund such costs from operations.

NOTE 14-SERVICE AGREEMENTS AND OTHER COMMITMENTS:

The City has entered into various long-term maintenance and service agreements. Expenditures under these non-cancelable agreements were \$2,424,162 in 1999.

Minimum future payments as of December 31, 1999 are:

<u>Years</u>	<u>Garbage Collection</u>	<u>Paramedical Services</u>	<u>Total</u>
2000	1,524,642	936,504	2,461,146
2001	1,365,658	955,295	2,520,953
2002	1,197,315	278,631	1,475,946
Totals	<u>\$4,287,615</u>	<u>\$2,170,430</u>	<u>\$6,458,045</u>

NOTE 15-SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

Included in the services provided by the City that are financed primarily by user charges are water utility, sewer utility and recreation facilities. The key financial information for the year ended December 31, 1999 for these non-similar enterprise activities is as follows:

	Water Utility	Sewer Utility	Recreational Facilities	Solid Waste Management	Totals
Operating Revenues	\$3,378,733	\$3,713,373	\$1,348,304	\$1,361,280	\$9,801,690
Operating Expenses:					
Depreciation and Amortization	\$340,037	\$791,722	\$176,531		\$1,308,290
Other Expenses	\$2,217,298	\$2,146,465	\$1,177,534	\$1,646,366	\$7,187,663
Operating Income(Loss)	\$821,398	\$775,186	\$(5,761)	\$(285,086)	\$1,305,737
Net Income(Loss)	\$1,357,855	\$883,622	\$(6,292)	\$(9,581)	\$2,225,604
Capital Contributions		\$37,894			\$37,894
Property, Plant and Equipment Additions and Deletions	\$3,398,593	\$2,464,717	\$ 99,416		\$5,962,726
Net Working Capital	\$10,601,292	\$5,447,030	\$(566,481)	\$76,379	\$15,558,220
Total Assets	\$30,700,896	\$37,446,754	\$4,568,146	\$213,421	\$72,929,217
Notes Payable		\$750,000	\$1,150,000		\$1,900,000
Bonds Payable and Other Long-Term Liabilities	\$7,208,042	\$12,971,463			\$20,179,505
Total Equity	\$23,068,060	\$23,442,295	\$3,295,549	\$76,379	\$49,882,283

NOTE 17-RESERVES AND DESIGNATIONS OF EQUITY:

The following is a list of all reserves used by the City and a description of each:

Reserved for Encumbrances - an account used to segregate a portion of fund balance for expenditure upon vendor performance.

Reserved for Debt Service - an account used to segregate a portion of fund balance for debt service resources legally restricted for the payment of long term debt principal and interest amounts maturing in future years.

NOTE 17-RESERVES AND DESIGNATIONS OF EQUITY (continued)

Reserved for Claims - an account used to segregate a portion of fund balance to indicate that resources have been restricted for the payment of medical insurance. Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made.

The following is a list of all designations of unreserved fund balances:

Designated for Future Projects - an account used to segregate a portion of the fund balance to indicate that resources have been restricted by City Council to specific projects even though they are a component of assets.

NOTE 18-RISK MANAGEMENT:

Description: The City carries insurance to cover general liability risks, fire protection, police professional liability, automobile fleet and errors and omissions for public officials. The City has established an Employees Benefits Fund to account for cost of the City's self-insured dental care claims and the payment of insurance premiums for medical benefits. A third party administrator who furnishes claims review and processing administers the program. There is a \$40,000 maximum per claim coverage. The City purchases stop-loss coverage for amounts above the maximum. City Funds are charged a premium based on the number of employees participating in the Dental 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.

Claims Liabilities: The City records an estimated liability for health 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.

Unpaid Claims Liabilities: The following figures represent the changes in medical and dental claims liabilities for the City from January 1, 1998 to December 31, 1999:

Claims Liability, 1/1/98	\$ 127,798
Claims net of changes in estimates	1,194,610
Payments	<u>(1,298,403)</u>
Claims Liability, 12/31/98	24,005
Claims net of changes in estimates	1,097,114
Payments	<u>(1,108,577)</u>
Claims Liability, 12/31/99	<u>\$12,542</u>

NOTE 19-DEFICIT FUND BALANCE:

The **Municipal Garage Fund (Internal Service Fund)** has a deficit fund balance of (\$18,202) due to the recording of liabilities for Accounts Payable and Accrued Payroll, Vacation and Sick Leave.

NOTE 20-CLAIMS AND CONTINGENCIES:

Contingencies Under Grant Programs: The City has received federal and state grants for specific purposes that are subject to review by the grantor agencies. Such reviews could lead to requests for reimbursements to the grant agency for expenditures disallowed under the terms of the grant. City management believes such disallowances, in any, will be minor

Judgments and Claims: There are several pending lawsuits and claims against the City arising in the normal course of business. City Management is of the opinion that any resulting liability will not have a material effect upon the City's financial position.

**GENERAL OPERATING FUND
FINANCIAL STATEMENTS**

The General Fund is the general operating fund of the City and is used to account for all revenues and expenditures not required to be accounted for in other funds. Revenues are primarily derived from income and property taxes. Functions financed from the General Fund include public safety, government administration, community environment and recreational activities.

**STATEMENT A-1
CITY OF FAIRFIELD
COMPARATIVE BALANCE SHEET
GENERAL FUND
DECEMBER 31, 1999 AND 1998**

ASSETS	1999	1998
Equity in Pooled Cash and Deposits	\$ 38,106	\$ 313,520
Equity in Pooled Investments	6,257,035	7,650,000
Receivables (Net of allowance for estimated uncollectibles)		
Accounts Receivable	29,908	7,940
Accrued Interest	80,166	72,644
Taxes	939,920	940,504
Due From Other Funds	49,354	56,161
	<hr/>	<hr/>
TOTAL ASSETS	\$ 7,394,489	\$ 9,040,769
	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES & FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 73,622	\$ 63,543
Accrued Payroll, Vacation & Sick Leave	687,307	682,259
Deferred Revenues	939,920	940,504
	<hr/>	<hr/>
TOTAL LIABILITIES	1,700,849	1,686,306
 Fund Balance:		
Reserved for Encumbrances	554,703	616,570
Unreserved	5,138,937	6,737,893
	<hr/>	<hr/>
TOTAL FUND BALANCE	5,693,640	7,354,463
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,394,489	\$ 9,040,769
	<hr/> <hr/>	<hr/> <hr/>

**STATEMENT A-2
CITY OF FAIRFIELD
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR YEARS ENDED DECEMBER 31, 1999 AND 1998**

REVENUES	1999	1998
Taxes	\$ 13,332,374	\$ 12,087,244
Licenses and Permits	503,586	504,443
Intergovernmental Revenues	113,432	94,880
Charges for Services	432,979	325,553
Fines and Forfeitures	604,470	588,048
Investment Earnings	467,334	546,643
Special Assessments	10,115	
All Other Revenues	134,327	280,304
TOTAL REVENUES	15,598,617	14,427,115
 EXPENDITURES		
Current		
Security of Persons and Property	5,500,018	4,928,481
Streets and Transportation	250,300	
Public Health & Welfare Services	27,521	27,822
Leisure Activities	788,275	772,473
Community Environment	955,929	807,002
Basic Utility Services	342,155	338,654
General Government	3,442,482	3,045,677
Capital Outlay	872,760	300,046
TOTAL EXPENDITURES	12,179,440	10,220,155
 Excess of Revenues Over Expenditures	 3,419,177	 4,206,960
 Other Financing Uses Operating Transfers-Out	 (5,080,000)	 (5,000,000)
 Excess of Revenues Over Expenditures and Other Financing Uses	 (1,660,823)	 (793,040)
 Fund Balance, Beginning of Year	 7,354,463	 8,147,503
 Fund Balance, End of Year	 <u><u>\$ 5,693,640</u></u>	 <u><u>\$ 7,354,463</u></u>

**SCHEDULE A-3
CITY OF FAIRFIELD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998**

REVENUES	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998
	BUDGET	ACTUAL		ACTUAL
Taxes	\$12,954,448	\$13,681,590	\$727,142	\$12,247,987
Licenses and Permits	449,400	503,587	54,187	504,443
Intergovernmental Revenues	500,000	113,432	(386,568)	94,880
Charges for Services	551,400	437,863	(113,537)	399,509
Fines and Forfeitures	691,700	611,277	(80,423)	589,241
Investment Earnings	350,000	459,812	109,812	605,348
All Other Revenues	203,057	245,335	42,278	360,674
TOTAL REVENUES	15,700,005	16,052,897	352,892	14,802,082
EXPENDITURES				
Current				
Security of Persons & Property				
Police Department	5,855,235	5,558,341	296,894	4,988,256
Public Health & Welfare Services	35,000	27,521	7,479	27,821
Leisure Activities				
Parks Administration	256,361	248,126	8,235	224,259
Parks Maintenance	435,456	428,397	7,059	463,548
Marsh Lake Park	106,264	100,819	5,445	87,590
Community Environment				
Planning Department	485,219	472,303	12,916	341,638
Building Inspection	609,389	598,492	10,897	469,204
Basic Utility Services	369,778	342,155	27,623	338,658
General Government				
Council	161,730	150,265	11,465	150,195
Office of the Mayor	15,205	11,496	3,709	16,733
Office of City Manager	459,134	447,892	11,242	321,845
Department of Law	252,000	251,886	114	241,695
Civil Service Commission	18,194	16,455	1,739	13,430
Administrative Support	2,528,115	2,381,533	146,582	1,453,114
Office of Director of Finance	452,725	429,629	23,096	326,273
Income Tax	267,049	240,444	26,606	229,978
Municipal Court	703,056	670,251	32,805	621,229
Public Works Administration	133,905	126,070	7,835	104,293
Construction Services	419,730	388,031	31,699	290,835
Municipal Building	154,140	152,687	1,452	138,355
Justice Center	163,275	163,266	9	153,030
TOTAL EXPENDITURES	13,880,958	13,206,057	674,901	11,001,979
Excess (Deficiency) of Revenues over Expenditures	1,819,047	2,846,840	1,027,793	3,800,103
Other Financing Sources (Uses) Operating Transfers-Out	(5,150,000)	(5,080,000)	70,000	(5,000,000)
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) over Expenditures	(3,330,953)	(2,233,160)	1,097,793	(1,199,897)
Fund Balance, Beginning of Year	7,283,407	7,283,407		7,905,894
Prior Year Encumbrances Appropriated	616,570	616,570		577,410
Fund Balance, End of Year	\$4,569,024	\$5,666,817	\$1,097,793	\$7,283,407

SPECIAL REVENUE FUNDS COMBINING FINANCIAL STATEMENTS

Special Revenue Funds are established to account for revenues from specific sources legally restricted to expenditures for specific purposes. A description of the City's special revenue funds follows:

Street Construction, Maintenance and Repair Fund - this fund is used 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 Fund - this fund is used 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 maintenance and improvement of state highways within the City.

Fire Levy Fund - this fund is used to account for monies received from property taxes specifically earmarked for fire protection by a levy passed by the City's electorate.

Paramedical Services Levy Fund - this fund is used to account for monies received from property taxes specifically earmarked for paramedical services by a levy passed by the City's electorate.

Tax Recreation Fund - this fund is used to account for monies received from residential building permits specifically collected for the purpose of providing funds for recreational activities and facilities.

County Motor Vehicle Registration Fund - this fund is used 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.

Municipal Motor Vehicle Registration Fund - this fund is used to account for the 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.

Community Development Block Grant Fund - this fund is used to account for monies received from the federal government under the Community Development Block Grant program for the renovation of public facilities.

Law Enforcement and Education Fund - this fund is used to account for monies received from court fines imposed for drivers convicted for 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 Fund - this fund is used to account for monies received from court fines imposed for drivers convicted for driving under the influence of drugs and alcohol. Monies generated under this fund shall be used for treatment of the drug and alcohol dependent drivers.

Law Enforcement Fund - this fund is used 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.

Local Law Enforcement Fund - this fund is used to account for monies received from the federal government under the Community Development Block Grant program for the renovation of public facilities.

STATEMENT B-1
CITY OF FAIRFIELD
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

ASSETS

	STREET CONSTR MAINTENANCE & REPAIR FUND	STATE HIGHWAY IMPROVEMENT FUND	FIRE LEVY FUND	PARAMEDICAL SERVICES LEVY FUND	TAX RECREATION FUND	COUNTY MOTOR VEHICLE REGISTRATION FUND	MUNICIPAL MOTOR VEHICLE REGISTRATION FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	LAW EDUCATION & ENFORCEMENT FUND	DRUG & ALCOHOL FUND	LAW ENFORCEMENT FUND	LOCAL LAW ENFORCEMENT FUND	TOTALS	
													1999	1998
Equity in Pooled Cash and Deposits	\$ 9,700	\$ 7,135	\$ 6,872	\$ 1,408	\$ 4,732	\$ 3,461	\$ 2,620	\$ 621	\$ 2,371	\$ 4,883	\$ 9,685	\$ 4,868	\$ 58,144	\$ 597,649
Equity in Pooled Pooled Investments	315,000		700,000	630,000	200,000	135,000	30,000		25,000	30,000	55,000		2,120,000	1,850,000
Receivables	2,378		11,878	14,424									38,778	9,596
Accrued Interest Taxes	1,010,580		1,010,580	813,601									1,824,181	1,625,079
TOTAL ASSETS	\$ 227,078	\$ 7,135	\$ 1,728,228	\$ 1,459,431	\$ 264,732	\$ 138,461	\$ 22,620	\$ 621	\$ 27,371	\$ 24,883	\$ 9,685	\$ 69,868	\$ 4,631,163	\$ 4,193,326

LIABILITIES & FUND BALANCE

Liabilities:														
Accounts Payable	\$ 127,805		\$ 9,950	\$ 2,920				\$ 411					141,086	\$ 48,947
Accrued Payroll, Vacation & Sick Leave	66,671		89,245										176,516	176,437
Deferred Revenues			1,010,580	813,601									1,824,181	1,625,079
TOTAL LIABILITIES	214,476		1,110,775	\$16,521				411					2,141,783	2,051,463
Fund Balance:														
Reserved for Encumbrances	47,662		853	1,778	5,133	61,611			15,000			18,957	150,994	224,290
Unreserved	65,040	7,135	617,800	641,152	189,599	78,850	32,620	210	12,371	34,883	9,685	40,901	1,736,326	1,317,573
TOTAL FUND BALANCE	112,602	7,135	618,653	642,930	204,732	138,461	32,620	210	27,371	34,883	9,685	59,858	1,889,320	2,141,863
TOTAL LIABILITIES AND FUND BALANCE	\$ 327,078	\$ 7,135	\$ 1,728,228	\$ 1,459,431	\$ 264,732	\$ 138,461	\$ 32,620	\$ 621	\$ 27,371	\$ 34,883	\$ 9,685	\$ 69,868	\$ 4,631,163	\$ 4,193,326

STATEMENT B-2
CITY OF FAIRFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
SPECIAL REVENUE FUNDS
FOR YEAR ENDED DECEMBER 31, 1999

REVENUES	STREET CONSTRUCTION MAINTENANCE REPAIR FUND	STATE HIGHWAY IMPROVEMENT FUND	FIRE LEVY FUND	PARAMEDICAL SERVICES LEVY FUND	TAX RECREATION FUND	COUNTY MOTOR VEHICLE REGISTRATION FUND	MUNICIPAL MOTOR VEHICLE REGISTRATION FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	LAW EDUCATION & ENFORCEMENT FUND	DRUG & ALCOHOL FUND	LAW ENFORCEMENT FUND	LOCAL LAW ENFORCEMENT FUND	TOTALS	
													1999	1998
Taxes	\$ 1,162,232	\$ 94,235	\$ 1,033,565	\$ 839,637	22,550	\$ 50,470	\$ 306,583		4,385		2,020	54,644	\$ 3,485,732	\$ 3,573,379
Licenses and Permits			4,611					80,892					33,546	35,560
Intergovernmental Revenues			7,593										143,096	302,103
Fines and Forfeitures	10,107	453	24,524	35,987	10,013	6,232	3,998		1,086	6,308		1,357	8,308	21,543
Investment Earnings	2,169		54	8						1,252			95,008	120,735
All Other Revenues													2,262	51,957
TOTAL REVENUES	1,174,538	94,888	1,070,334	874,633	32,563	56,702	310,561	80,892	5,451	6,560	2,020	56,001	3,767,843	4,105,267
EXPENDITURES														
Current														
Security of Persons and Property			1,672,778	1,027,573			310,658			6,688			2,700,349	2,216,134
Streets and Transportation	1,334,120	94,458			75,344	48,137		80,714				14,145	1,740,234	1,732,903
General Government			18,000	4,687									6,686	7,449
Capital Outlay			1,689,756	1,032,470	75,344	48,137	310,658	80,714		6,688		14,145	2,402,217	631,698
TOTAL EXPENDITURES	1,334,120	94,458	1,689,756	1,032,470	75,344	48,137	310,658	80,714		6,688		14,145	4,695,486	4,598,384
Excess (Deficiency) of Revenues Over Expenditures	(159,582)	230	(619,422)	(157,837)	(42,781)	8,565	(9,096)	178	5,451	2,874	2,020	41,856	(927,643)	(483,117)
Other Financing Sources (Uses)														
Operating Transfers-In			675,000										675,000	550,000
Operating Transfers-Out														
Total Other Financing Sources (Uses)			675,000										675,000	550,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(159,582)	230	55,578	(157,837)	(42,781)	8,565	(9,096)	178	5,451	2,874	2,020	41,856	(252,643)	66,883
Fund Balance, Beginning of Year	272,194	6,905	583,275	800,747	247,513	129,896	41,715	32	21,920	32,099	7,845	18,002	2,141,883	2,074,880
Fund Balance, End of Year	\$ 112,602	\$ 7,135	\$ 618,853	\$ 642,910	\$ 204,732	\$ 138,461	\$ 32,620	\$ 210	\$ 27,371	\$ 34,983	\$ 9,865	\$ 59,858	\$ 1,889,220	\$ 2,141,863

SCHEDULE B-3
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	1999			1998		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
STREET CONSTR., MAINTENANCE & REPAIR FUND						
REVENUES						
Taxes	\$1,140,000	\$1,162,232	\$22,232	\$1,143,154	\$94,235	(\$20,765)
Licenses and Permits						
Intergovernmental Revenues						
Fines and Forefeitures	8,750	9,792	1,042	7,765	454	(46)
Investment Earnings	6,700	2,199	(4,501)	27,038		
All Other Revenues						
TOTAL REVENUES	1,155,450	1,174,223	18,773	1,177,957	94,689	(20,811)
EXPENDITURES						
Current						
Security of Persons and Property						
Streets & Transportation	1,416,989	1,386,439	30,550	1,357,441	99,289	10,711
General Government						
Capital Outlay						
TOTAL EXPENDITURES	(281,539)	(212,216)	49,323	(179,484)	(4,601)	(10,101)
Excess (Deficiency) of Revenues over Expenditures						
Other Financing Sources (Uses)						
Operating Transfers-In						
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(261,539)	(212,216)	49,323	120,516	(4,601)	(10,101)
Fund Balance, Beginning of Year	337,290	337,290		202,902	11,736	
Prior Year Encumbrances Appropriated	24,259	24,259		13,872		
Fund Balance, End of Year	\$100,010	\$149,333	\$49,323	\$337,290	\$7,135	(\$10,101)

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	FIRE LEVY FUND				PARAMEDICAL SERVICES LEVY FUND			
	1999		1998		1999		1998	
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Taxes	\$1,044,974	\$1,033,695	(\$11,379)	\$1,072,354	\$867,357	\$838,637	(\$28,720)	\$856,745
Licenses and Permits	5,000	4,611	(389)	4,950				
Intergovernmental Revenues				7,966				
Fines and Forfeitures	21,250	15,669	(5,581)	21,571	50,000	25,978	(24,022)	54,762
Investment Earnings	2,700	7,904	4,904	18,080	500	10	(490)	6,839
All Other Revenues								
TOTAL REVENUES	1,073,924	1,061,479	(12,445)	1,125,921	917,857	864,624	(53,233)	917,346
EXPENDITURES								
Current								
Security of Persons and Property	1,718,078	1,657,045	61,033	1,190,978	1,036,378	1,036,368	10	1,018,340
Streets & Transportation								
General Government	18,000	16,980	1,020	16,545	4,898	4,896	2	54,343
Capital Outlay	1,736,078	1,974,025	62,053	1,207,523	1,041,276	1,041,265	11	1,072,663
TOTAL EXPENDITURES	(862,154)	(812,546)	49,608	(81,602)	(123,419)	(176,640)	(53,221)	(155,337)
Excess (Deficiency) of Revenues over Expenditures	750,000	675,000	(75,000)	250,000				
Other Financing Sources (Uses)								
Operating Transfers-In								
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	87,846	62,454	(25,392)	188,388	(123,419)	(176,640)	(53,221)	(155,337)
Fund Balance, Beginning of Year	631,989	631,989	(75,000)	463,571	801,412	801,412		955,975
Prior Year Encumbrances Appropriated	1,346	1,346			1,936	1,936		774
Fund Balance, End of Year	\$721,161	\$695,769	(\$25,392)	\$631,969	\$679,929	\$626,708	(\$53,221)	\$801,412

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1998
With Comparative Actual Amounts for the Year Ended December 31, 1998

	TAX RECREATION FUND			COUNTY MOTOR VEHICLE REGISTRATION FUND		
	1999	1998	VARIANCE FAVORABLE (UNFAVORABLE)	1999	1998	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	BUDGET	ACTUAL		BUDGET	ACTUAL	
Taxes	25,000	22,550	(2,450)	\$150,000	\$50,470	(\$99,530)
Licenses and Permits						
Intergovernmental Revenues						
Fines and Forfeitures	10,000	10,013	13	5,000	6,231	1,231
Investment Earnings						
All Other Revenues						
TOTAL REVENUES	35,000	32,563	(2,437)	155,000	56,701	(98,299)
EXPENDITURES						
Security of Persons and Property						
Streets & Transportation						
General Government	84,601	80,478	4,123	71,803	61,803	10,000
Capital Outlay						
TOTAL EXPENDITURES	84,601	80,478	4,123	100,470	47,946	52,525
Excess (Deficiency) of Revenues over Expenditures	(49,601)	(47,915)	1,686	(17,273)	(53,047)	(35,774)
Other Financing Sources (Uses)						
Operating Transfers-In						
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(49,601)	(47,915)	1,686	(17,273)	(53,047)	(35,774)
Fund Balance, Beginning of Year	212,912	212,912		68,093	68,093	
Prior Year Encumbrances Appropriated	34,601	34,601		61,803	61,803	
Fund Balance, End of Year	\$197,912	\$199,598	\$1,686	\$112,623	\$76,849	(\$35,774)

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)

FOR YEAR ENDED DECEMBER 31, 1999

With Comparative Actual Amounts for the Year Ended December 31, 1998

	MUNICIPAL MOTOR VEHICLE REGISTRATION FUND			COMMUNITY DEVELOPMENT BLOCK GRANT FUND		
	1999	1998		1999	1998	
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE) ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE) ACTUAL
Taxes	\$320,000	\$306,563	(\$13,437)			
Licenses and Permits						
Intergovernmental Revenues				122,500	80,892	(41,608)
Fines and Forfeitures	2,500	3,999	1,499			
Investment Earnings						
All Other Revenues						
TOTAL REVENUES	322,500	310,562	(11,938)	122,500	80,892	(41,608)
EXPENDITURES						
Current						
Security of Persons and Property						
Streets & Transportation	325,000	319,656	5,344			
General Government						
Capital Outlay						
TOTAL EXPENDITURES	325,000	319,656	5,344	91,700	80,714	10,986
Excess (Deficiency) of Revenues over Expenditures	(2,500)	(9,096)	(6,595)	30,800	178	(30,622)
Other Financing Sources (Uses) Operating Transfers-In						
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(2,500)	(9,096)	(6,595)	30,800	178	(30,622)
Fund Balance, Beginning of Year	41,715	41,715	10,523	(71,168)	(71,168)	(235,572)
Prior Year Encumbrances Appropriated				71,200	71,200	212,566
Fund Balance, End of Year	\$39,215	\$32,620	(\$6,595)	\$30,832	\$210	(\$30,622)

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

REVENUES	1999			1998			VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)		
Taxes								
Licenses and Permits								
Intergovernmental Revenues	5,250	4,384	(866)	10,000	8,309	(1,691)	7,278	
Fines and Forfeitures	1,250	1,087	(163)	1,250	1,252	2	1,182	
Investment Earnings								
All Other Revenues								
TOTAL REVENUES	6,500	5,471	(1,029)	11,250	9,561	(1,689)	8,460	
EXPENDITURES								
Current								
Security of Persons and Property								
Streets & Transportation								
General Government	15,000	15,000		9,500	6,686	2,814	7,449	
Capital Outlay								
TOTAL EXPENDITURES	15,000	15,000	25,000	9,500	6,686	2,814	7,449	
Excess (Deficiency) of Revenues over Expenditures	(8,500)	(9,529)	(1,029)	1,750	2,874	1,124	891	
Other Financing Sources (Uses) Operating Transfers-In								
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(8,500)	(9,529)	(1,029)	1,750	2,874	1,124	891	
Fund Balance, Beginning of Year	6,920	6,920		32,000	32,000		31,018	
Prior Year Encumbrances Appropriated	15,000	15,000						
Fund Balance, End of Year	\$13,420	\$12,371	(\$1,049)	\$33,750	\$34,863	\$1,124	\$32,000	

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1989
With Comparative Actual Amounts for the Year Ended December 31, 1988

	LAW ENFORCEMENT FUND			LOCAL LAW ENFORCEMENT GRANT FUND				
	1989			1988				
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1988 ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1988 ACTUAL
Taxes								
Licenses and Permits								
Intergovernmental Revenues	7,500	2,020	(5,480)	8,946	51,898	54,644	2,746	51,898
Fines and Forfeitures	1,000		(1,000)	658	1,000	1,357	357	4,351
Investment Earnings								
All Other Revenues								
TOTAL REVENUES	8,500	2,020	(6,480)	9,504	52,898	58,001	3,103	58,249
EXPENDITURES								
Current								
Security of Persons and Property								
Streets & Transportation								
General Government								
Capital Outlay								
TOTAL EXPENDITURES	8,500	2,020	(6,480)	(10,385)	18,753	22,900	4,146	(43,751)
Excess (Deficiency) of Revenues over Expenditures								
Other Financing Sources (Uses)								
Operating Transfers-In								
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	8,500	2,020	(6,480)	(10,385)	18,753	22,900	4,146	(43,751)
Fund Balance, Beginning of Year	7,665	7,665		18,050	3,857	3,857		47,608
Prior Year Encumbrances Appropriated					14,145	14,145		
Fund Balance, End of Year	\$16,165	\$9,685	(\$6,480)	\$7,665	\$36,755	\$40,902	\$4,146	\$3,857

(Continued)

SCHEDULE B-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	TOTALS		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Taxes	\$3,637,331	\$3,485,732	(\$151,599)	\$3,573,379
Licenses and Permits	30,000	27,161	(2,839)	35,550
Intergovernmental Revenues	174,398	135,536	(38,862)	302,103
Fines and Forfeitures	22,750	14,693	(8,057)	21,543
Investment Earnings	102,500	75,832	(26,668)	115,518
All Other Revenues	9,900	9,813	(87)	51,957
TOTAL REVENUES	3,976,878	3,748,766	(228,113)	4,100,048
EXPENDITURES				
Current				
Security of Persons and Property	2,754,456	2,693,414	61,042	2,209,318
Streets & Transportation	1,923,792	1,867,188	56,604	1,714,847
General Government	27,000	16,201	10,800	14,901
Capital Outlay	331,314	269,500	61,714	822,514
TOTAL EXPENDITURES	5,036,562	4,846,403	190,159	4,761,680
Excess (Deficiency) of Revenues over Expenditures	(1,059,683)	(1,097,636)	(37,953)	(681,632)
Other Financing Sources (Uses)	750,000	675,000	(75,000)	650,000
Operating Transfers-In				
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(309,683)	(422,636)	(112,953)	(111,632)
Fund Balance, Beginning of Year	2,084,410	2,084,410	(75,000)	1,844,282
Prior Year Encumbrances Appropriated	224,280	224,280		351,760
Fund Balance, End of Year	\$1,999,017	\$1,886,064	(\$112,953)	\$2,084,410

**DEBT SERVICE FUNDS
FINANCIAL STATEMENTS**

The Debt Service Fund accounts for servicing all debt of the City, which is not serviced by the Proprietary Funds.

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

Special Assessment Fund - this fund accounts for payment of bonds issued for improvements deemed to benefit specific properties against which assessments are levied.

**STATEMENT C-1
CITY OF FAIRFIELD
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
DECEMBER 31, 1999**

ASSETS	GENERAL BOND RETIREMENT FUND	SPECIAL ASSESSMENT FUND	TOTALS	
			1999	1998
Equity in Pooled Cash and Deposits	\$ 3,744	\$ 134,271	\$ 138,015	\$ 239,661
Equity in Pooled Investments	350,000	760,000	1,110,000	930,000
Receivables				
Accrued Interest		521,095	521,095	657,701
Special Assessments			43,377	68,485
Due from Other Funds	43,377			
TOTAL ASSETS	\$ 397,121	\$ 1,415,366	\$ 1,812,487	\$ 1,895,847
LIABILITIES & FUND BALANCES				
Liabilities:				
Interest Payable	\$ 43,737	\$ 3,269	\$ 47,006	\$ 72,744
Deferred Revenues		521,095	521,095	657,701
TOTAL LIABILITIES	43,737	524,364	568,101	730,445
Fund Balance:				
Reserved for Debt Service	353,384	891,002	1,244,386	1,165,402
TOTAL FUND BALANCE	353,384	891,002	1,244,386	1,165,402
TOTAL LIABILITIES AND FUND BALANCES	\$ 397,121	\$ 1,415,366	\$ 1,812,487	\$ 1,895,847

**STATEMENT C-2
CITY OF FAIRFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 1999**

REVENUES	GENERAL BOND RETIREMENT FUND	SPECIAL ASSESSMENT FUND	TOTALS	
			1999	1998
Special Assessments		\$ 184,113	\$ 184,113	\$ 196,335
Interest Earnings	17,278	40,872	58,150	51,912
All Other Revenues	2,932		2,932	885
TOTAL REVENUES	20,210	224,985	245,195	249,132
EXPENDITURES				
Debt Service				
Principal Repayment	240,000	95,000	335,000	540,000
Interest & Fiscal Charges	310,290	49,578	359,868	289,815
TOTAL EXPENDITURES	550,290	144,578	694,868	829,815
Excess (Deficiency) of Revenues Over Expenditures	(530,080)	80,407	(449,673)	(580,683)
Other Financing Sources (Uses) Operating Transfers-In	528,657		528,657	655,515
Total Other Financing Sources (Uses)	528,657		528,657	655,515
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(1,423)	80,407	78,984	74,832
Fund Balance, Beginning of Year	354,807	810,595	1,165,402	1,090,570
Fund Balance, End of Year	\$ 353,384	\$ 891,002	\$ 1,244,386	\$ 1,165,402

SCHEDULE C-3
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	GENERAL BOND RETIREMENT FUND				SPECIAL ASSESSMENT FUND			
	1999		1998		1999		1998	
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Special Assessments	20,000	17,278	(2,722)	18,840	\$210,000	\$246,582	\$36,582	\$229,201
Investment Earnings				886	37,600	40,872	3,272	43,152
All Other Revenues								
TOTAL REVENUES	20,000	17,278	(2,722)	19,525	247,500	287,454	39,954	272,353
EXPENDITURES								
Debt Service								
Principal Repayment	2,166,000	2,165,000		710,000	150,000	148,086	1,915	132,866
Interest & Fiscal Charges	342,000	335,397	6,603	202,420	77,000	59,794	17,206	70,851
TOTAL EXPENDITURES	2,507,000	2,500,397	6,603	912,420	227,000	207,880	19,120	203,717
Excess (Deficiency) of Revenues over Expenditures	(2,487,000)	(2,483,119)	3,881	(892,895)	20,500	79,574	59,074	68,636
Other Financing Sources (Uses)	1,400,000	1,402,332	2,332	900,146				
Proceeds from Sale of Debt	1,030,000	1,078,765	48,765					
Operating Transfers-in								
Total Other Financing Sources (Uses)	2,430,000	2,481,097	51,097	900,146				
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(57,000)	(1,422)	55,578	7,251	20,500	79,574	59,074	68,636
Fund Balance, Beginning of Year	354,806	354,806		347,555	814,697	814,697		746,061
Prior Year Encumbrances Appropriated								
Fund Balance, End of Year	\$297,806	\$353,384	\$55,578	\$354,806	\$835,197	\$894,271	\$59,074	\$814,697

(Continued)

SCHEDULE C-3
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	TOTALS		
	1999	1998	1998
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Special Assessments	\$210,000	\$246,582	\$36,582
Investment Earnings	57,500	58,149	649
All Other Revenues	287,500	304,732	37,232
TOTAL REVENUES	554,000	609,463	55,463
EXPENDITURES			
Debt Service	2,315,000	2,313,086	1,915
Principal Repayment	419,000	395,191	23,809
Interest & Fiscal Charges	2,734,000	2,708,278	25,724
TOTAL EXPENDITURES	5,468,000	(2,403,545)	62,955
Excess (Deficiency) of Revenues over Expenditures	1,400,000	1,402,932	2,932
Other Financing Sources (Uses)	1,030,000	1,078,765	48,765
Proceeds from Sale of Debt	2,430,000	2,481,897	51,897
Operating Transfers-In	(36,500)	78,153	114,653
Total Other Financing Sources (Uses)	1,163,500	1,169,503	6,003
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(36,500)	78,153	114,653
Fund Balance, Beginning of Year	1,169,503	1,169,503	1,093,616
Prior Year Encumbrances Appropriated	\$1,133,003	\$1,247,856	114,853
Fund Balance, End of Year	\$1,133,003	\$1,247,856	\$1,169,503

CAPITAL PROJECT FUNDS COMBINING FINANCIAL STATEMENTS

Capital Project Funds are established to account for revenues and expenditures related to the acquisition or construction of capital facilities not financed by proprietary funds. Capital facilities are defined as major and permanent in nature. The City's capital project funds are described below;

.3% Street Improvement Fund - this fund is used to account for the construction and repair of the City's streets. Financing has been derived from one-tenth of the City's income tax.

.2% Capital Improvement Fund - this fund is used to account 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 Fund - this fund is used to account for the construction of a flood protection project, which provides protection from stormwater runoff. Financing is derived from grants from the federal government, the state government and the issuance of notes.

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

Downtown Development Fund - this fund is used to account for the construction of major improvements and the development to the City's downtown area. Financing is derived from grants from state governments, transfers from the General Fund and investments earnings.

Symmes Road Extension Project Fund - this fund is used to account for the construction of the Symmes Road Extension, which will provide an eastbound connection to Interstate 75. Financing is derived from transfers from the General Fund and investments earnings.

STATEMENT D-2
CITY OF FAIRFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR YEAR ENDED DECEMBER 31, 1999

REVENUES	.3% STREET IMPROVEMENT FUND	.2% CAPITAL IMPROVEMENT FUND	FLOOD PROTECTION FUND	STATE ISSUE II FUND	DOWNTOWN DEVELOPMENT FUND	SYMMES ROAD EXTENSION FUND	TOTALS	
							1999	1998
Taxes	\$ 3,017,366	\$ 2,011,578					\$ 5,028,944	\$ 4,518,366
Intergovernmental Revenues	38,586	73,831		115,980			228,399	392,028
Investment Earnings	191,780	245,158	93,062		265,648	26,753	822,401	373,603
All Other Revenues	3,000	3,231	546		10,000		16,777	209,858
TOTAL REVENUES	3,250,734	2,333,798	93,608	115,980	275,648	26,753	6,096,521	5,493,855
EXPENDITURES								
Capital Outlay	1,452,692	5,031,831	1,562,262	115,980	805,775		8,968,540	6,265,752
TOTAL EXPENDITURES	1,452,692	5,031,831	1,562,262	115,980	805,775		8,968,540	6,265,752
Excess (Deficiency) of Revenues Over Expenditures	1,798,042	(2,698,033)	(1,468,654)		(530,127)	26,753	(2,872,019)	(771,897)
Other Financing Sources (Uses)		4,500,000					4,500,000	5,377,315
Proceeds from Sale of Debt					3,000,000	1,000,000	4,000,000	(1,882,830)
Operating Transfers-In	(48,339)	(480,316)	540,064				(528,657)	
Operating Transfers-Out	87,245						627,309	
Proceeds from Sale of Assets								
Total Other Financing Sources (Uses)	38,906	4,019,682	540,064		3,000,000	1,000,000	8,598,652	3,494,485
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	1,836,948	1,321,649	(928,590)		2,469,873	1,026,753	5,726,633	2,722,588
Fund Balance, Beginning of Year	1,198,671	1,784,039	1,823,729		3,647,977		8,454,416	5,731,828
Fund Balance, End of Year	\$ 3,035,619	\$ 3,105,688	\$ 895,139		\$ 6,117,850	\$ 1,026,753	\$ 14,181,049	\$ 8,454,416

SCHEDULE D-3
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1998
With Comparative Actual Amounts for the Year Ended December 31, 1998

	3% STREET IMPROVEMENT FUND			2% CAPITAL IMPROVEMENT FUND				
	1998		1999	1998		1999		
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
Taxes	\$2,970,000	\$3,083,871	\$113,871	\$2,758,229	\$2,020,000	\$2,055,881	\$35,881	\$1,838,508
Intergovernmental Revenues								
Investment Earnings	138,000	154,182	16,182	158,032	195,000	248,120	53,120	283,315
All Other Revenues		128,833	128,833	208,858		77,062	77,062	
TOTAL REVENUES	3,108,000	3,366,886	258,886	3,127,119	2,215,000	2,381,163	166,163	2,102,823
EXPENDITURES								
Current								
General Government	756,021	747,503	8,518	48,223	191,037	159,880	31,377	49,861
Capital Outlay	2,053,447	2,019,347	34,101	2,216,906	7,566,161	7,303,625	262,537	5,079,118
TOTAL EXPENDITURES	2,809,468	2,766,850	42,618	2,265,129	7,757,198	7,463,285	293,913	5,128,977
Excess (Deficiency) of Revenues over Expenditures	298,532	600,136	301,604	861,990	(5,542,198)	(5,082,122)	460,076	(3,028,154)
Other Financing Sources (Uses)					3,000,000	3,100,000	100,000	1,400,000
Proceeds from Sales of Debt								
Operating Transfers-In	(563,089)	(563,088)	(1)	(700,981)	(525,000)	(515,877)	9,323	(1,428,480)
Operating Transfers-Out								
Total Other Financing Sources (Uses)	(563,089)	(563,088)	(1)	(700,981)	2,475,000	2,584,323	109,323	(28,480)
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(264,557)	37,048	301,603	161,009	(3,067,198)	(2,497,798)	569,400	(3,052,634)
Fund Balance, Beginning of Year	1,926,833	1,926,833	(1)	1,343,240	1,633,913	1,633,913		3,929,403
Prior Year Encumbrances Appropriated	790,881	790,881		422,584	1,556,384	1,556,384		757,144
Fund Balance, End of Year	\$2,453,157	\$2,754,762	\$301,603	\$1,926,833	\$123,099	\$892,499	\$569,400	\$1,633,813

(Continued)

SCHEDULE D-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1998
With Comparative Actual Amounts for the Year Ended December 31, 1998

REVENUES	FLOOD PROTECTION FUND				STATE ISSUE # FUND			
	1998		1998		1998		1998	
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
Taxes								
Intergovernmental Revenues	105,000	84,854	(20,046)	86,720	1,000,000	115,980	(884,020)	392,028
Investment Earnings	540,000	540,610	610					
All Other Revenues								
TOTAL REVENUES	645,000	625,564	(19,436)	86,720	1,000,000	115,980	(884,020)	392,028
EXPENDITURES								
Current								
General Government	119,212	116,063	3,149					
Capital Outlay	1,718,422	1,713,602	4,820	2,366,743	527,560	402,360	125,200	392,028
TOTAL EXPENDITURES	1,837,634	1,829,665	7,969	2,366,743	527,560	402,360	125,200	392,028
Excess (Deficiency) of Revenues over Expenditures	(1,192,634)	(1,204,100)	(11,467)	(2,280,023)	472,440	(286,380)	(758,820)	
Other Financing Sources (Uses)								
Proceeds from Sales of Debt								
Operating Transfers-In	50,000		(50,000)	1,227,315				
Operating Transfers-Out								
Total Other Financing Sources (Uses)	50,000		(50,000)	1,227,315				
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(1,142,634)	(1,204,100)	(61,467)	(1,052,708)	472,440	(286,380)	(758,820)	
Fund Balance, Beginning of Year	172,082	172,082		1,058,620				(345,558)
Prior Year Encumbrances Appropriated	1,635,786	1,635,786		166,180				345,558
Fund Balance, End of Year	\$665,244	\$603,778	(\$61,467)	\$172,082	\$472,440	(\$286,380)	(\$758,820)	

(Continued)

SCHEDULE D-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1998

	DOWNTOWN DEVELOPMENT FUND			SYMMES ROAD EXTENSION FUND				
	1999			1998				
REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
Taxes								
Intergovernmental Revenues	177,500	196,801	9,301	94,883		15,546	15,546	
Investment Earnings		10,000	10,000					
All Other Revenues								
TOTAL REVENUES	177,500	196,801	19,301	94,883		15,546	15,546	
EXPENDITURES								
Current								
General Government	454,746	429,166	25,581	1,060,559				
Capital Outlay	2,780,248	2,382,728	407,522	1,060,559				
TOTAL EXPENDITURES	3,244,994	2,811,892	433,103	1,060,559				
Excess (Deficiency) of Revenues over Expenditures	(3,067,494)	(2,615,091)	452,404	(965,676)		15,546	15,546	
Other Financing Sources (Uses)								
Proceeds from Sales of Debt		3,000,000	3,000,000	4,150,000		1,000,000	1,000,000	
Operating Transfers-In								
Operating Transfers-Out								
Total Other Financing Sources (Uses)		3,000,000	3,000,000	4,150,000		1,000,000	1,000,000	
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(3,067,494)	384,909	3,452,404	3,184,324		1,015,546	1,015,546	
Fund Balance, Beginning of Year	3,184,324	3,184,324						
Prior Year Encumbrances Appropriated	438,126	438,126						
Fund Balance, End of Year	\$554,956	\$4,007,359	\$3,452,404	\$3,184,324		\$1,015,546	\$1,015,546	

SCHEDULE D-3 (Continued)
CITY OF FAIRFIELD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS (NON-GAAP BUDGETARY BASIS)
FOR YEAR ENDED DECEMBER 31, 1999
With Comparative Actual Amounts for the Year Ended December 31, 1988

	TOTALS		VARIANCE FAVORABLE (UNFAVORABLE)	1988 ACTUAL
	BUDGET	ACTUAL		
REVENUES				
Taxes	\$4,980,000	\$5,139,952	\$149,952	\$4,596,737
Intergovernmental Revenues	1,000,000	115,980	(884,020)	382,028
Investment Earnings	615,500	689,603	74,103	602,960
All Other Revenues	540,000	756,505	216,505	209,858
TOTAL REVENUES	7,145,500	6,702,039	(443,461)	5,803,573
EXPENDITURES				
Current				
General Government	1,521,016	1,452,382	68,634	98,084
Capital Outlay	14,655,838	13,821,659	834,180	11,115,352
TOTAL EXPENDITURES	16,176,854	15,274,051	902,804	11,213,436
Excess (Deficiency) of Revenues over Expenditures	(9,031,354)	(8,572,011)	459,343	(5,409,863)
Other Financing Sources (Uses)				
Proceeds from Sales of Debt	3,000,000	3,100,000	100,000	1,400,000
Operating Transfers-In	50,000	4,000,000	3,950,000	5,377,315
Operating Transfers-Out	(1,088,089)	(1,078,765)	9,324	(2,127,461)
Total Other Financing Sources (Uses)	1,961,911	6,021,235	4,059,324	4,649,854
Excess (Deficiency) of Revenues and Financing Sources (Uses) over Expenditures	(7,069,443)	(2,550,776)	4,518,667	(760,009)
Fund Balance, Beginning of Year	6,917,162	6,917,162		5,985,705
Prior Year Encumbrances Appropriated	4,421,177	4,421,177		1,591,466
Fund Balance, End of Year	\$4,268,896	\$6,787,563	\$4,518,667	\$6,917,162

ENTERPRISE FUNDS COMBINING FINANCIAL STATEMENTS

Enterprise funds are established to account for operations where the intention is to finance such operations primarily through user charges, or where the City has decided that the periodic determination of revenues, expenses and net income is appropriate.

The City has four enterprise funds, which are described below:

Water Utility Fund - this fund is used to account for the operations of the City's water utility, revenues of which come from customers, based on usage and rates authorized by City Council.

Sewer Utility Fund - this fund is used to account for the operations of the City's sewer utility. Sources of revenues for this fund come from utility service charges to customers, based on usage and rates authorized by City Council.

Recreation Facilities Fund - this fund is used to account for the 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.

Solid Waste Management Fund - this fund is used to account for the operations of the City's solid waste collection and recycling service. Sources of revenues for this fund come from service charges to customers, based on rates authorized by City Council.

STATEMENT E-1
CITY OF FAIRFIELD
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 1999

ASSETS	WATER UTILITY FUND	SEWER UTILITY FUND	RECREATION FACILITIES FUND	SOLID WASTE MANAGEMENT FUND	TOTALS	
					1999	1998
Current Assets:						
Equity in Pooled Cash and Deposits	\$122,363	\$20,409	\$13,114	\$77,739	\$233,625	\$414,292
Equity in Pooled Investments	10,755,000	5,875,000	860,000	60,000	17,350,000	19,565,000
Receivables						
Accounts	391,151	467,243		75,682	934,076	967,562
Accrued Interest	148,335	78,316	1,028		227,679	280,229
Loan		546,162			546,162	1,153,358
Inventory	86,546		31,974		118,520	111,369
Issuance Costs	159,982				159,982	175,889
Total Current Assets	11,663,377	6,987,130	706,116	213,421	19,570,044	22,667,719
Restricted Assets:						
Equity in Pooled Cash and Deposits	20,032	3,821			23,853	74,586
Equity in Pooled Investments	1,480,706	715,000			2,195,706	2,034,782
Total Restricted Assets	1,500,738	718,821			2,219,559	2,109,378
PROPERTY, PLANT & EQUIPMENT, NET	17,536,781	29,740,803	3,862,030		51,139,614	46,436,639
TOTAL ASSETS	\$30,700,896	\$37,446,754	\$4,568,146	\$213,421	\$72,929,217	\$71,213,736
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts Payable	\$63,748	\$47,543	\$11,753	\$136,618	\$259,662	\$525,139
Accrued Interest	27,848	10,319	15,822		53,989	88,839
Accrued Payroll, Vacation & Sick Leave	223,273	204,957	95,022	424	523,676	509,187
Deposits Payable	109,925				109,925	104,450
Due to Other Governments		20,177			20,177	12,294
Notes Payable	637,291	750,000	1,150,000		1,900,000	2,350,000
Current Portion of Long-Term Debt		507,104			1,144,395	1,064,742
Total Current Liabilities	1,062,085	1,540,100	1,272,597	137,042	4,011,824	4,634,651
Non-Current Liabilities:						
Revenue Bonds, less Current Portion	6,060,000				6,060,000	6,500,000
State Loan, less Current Portion	510,751	12,464,359			12,975,110	12,490,300
Total Non-Current Liabilities	6,570,751	12,464,359			19,035,110	18,990,300
TOTAL LIABILITIES	\$7,632,836	\$14,004,459	\$1,272,597	\$137,042	\$23,046,934	\$23,594,951
FUND EQUITY						
Contributed Capital	214,534	6,475,285	2,053,987		8,743,796	8,705,892
Retained Earnings	1,472,890	708,502			2,181,392	2,066,860
Reserve Due to Restricted Assets	21,380,636	16,258,528	1,241,562	76,379	38,957,105	36,846,033
Retained Earnings						
	23,068,060	23,442,295	3,295,549	76,379	49,862,283	47,618,785
TOTAL FUND EQUITY	\$30,700,896	\$37,448,754	\$4,568,146	\$213,421	\$72,929,217	\$71,213,736
TOTAL LIABILITIES AND FUND EQUITY						

STATEMENT E-2
CITY OF FARFIELD
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	WATER UTILITY FUND	SEWER UTILITY FUND	RECREATION FACILITIES FUND	SOLID WASTE MANAGEMENT FUND	TOTALS	
					1999	1998
Operating Revenues						
Charges for Services	\$3,378,733	\$3,713,373	\$1,348,304	\$1,361,280	\$9,801,690	\$9,432,229
Operating Expenses						
Personal Services	1,106,706	1,335,309	541,840	8,428	2,994,283	2,937,163
Contractual Services	370,554	328,032	251,542	1,838,540	2,588,668	2,578,065
Materials and Supplies	462,197	295,914	275,799	1,398	1,035,308	904,746
Utilities	275,841	187,210	108,353		571,404	521,268
Depreciation and Amortization	340,037	791,722	176,531		1,308,290	1,287,150
Total Operating Expenses	2,557,335	2,938,187	1,354,065	1,646,366	8,495,953	8,228,412
Operating Income (Loss)	821,398	775,186	(5,761)	(285,086)	1,305,737	1,203,817
Non-Operating Revenues (Expenses)						
Interest Revenue	687,846	328,005	40,529	505	1,066,885	1,222,448
Interest Expense	(365,719)	(552,499)	(41,060)		(959,278)	(934,372)
Permits	204,230	332,930			537,160	607,030
Other Revenues						29,766
Total Non-Operating Revenues (Expenses)-Net	536,457	108,436	(631)	505	644,867	924,872
Income before Operating Transfers	1,357,855	883,622	(6,292)	(284,581)	1,950,804	2,128,689
Operating Transfers from General Fund						
Net Income	1,357,855	883,622	(6,292)	(9,581)	2,225,604	2,428,669
Retained Earnings, Beginning of Year	21,495,671	16,083,408	1,247,854	85,960	38,912,893	36,484,204
Retained Earnings, End of Year	22,853,526	16,967,030	1,241,562	76,379	41,138,497	38,912,893
Contributed Capital, Beginning of Year	214,534	6,437,371	2,053,987		8,705,892	8,588,968
Grants		37,894			37,894	116,924
Contributed Capital, End of Year	214,534	6,475,265	2,053,987		8,743,786	8,705,892
Total Fund Equity, End of Year	\$23,068,060	\$23,442,295	\$3,295,549	\$76,379	\$49,882,283	\$47,818,785

STATEMENT E-3
CITY OF FAIRFIELD
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1999
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	1999	1998	TOTALS
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,298,564	\$9,866,227	\$9,456,548
Cash Payments for Refunds	(45,383)	(260,977)	(190,928)
Cash Payments for Goods and Services	(1,101,424)	(4,037,035)	(4,500,469)
Cash Payments for Wages and Benefits	(1,106,899)	(2,979,794)	(2,841,706)
Other Operating Revenues	128,001	218,181	148,596
Net Cash Flows from Operating Activities	1,173,869	2,806,602	2,072,041
Cash Flows from Non-Capital Financing Activities:			
Permit Fees Received	208,531	539,461	607,030
Payments from Other Funds	206,531	275,000	300,000
Net Cash Flows from Non-Capital Financing Activities		814,461	907,030
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(3,811,609)	(6,406,366)	(5,359,374)
Proceeds from Issuance of Bonds and Notes	2,597,661	3,747,661	9,977,462
Proceeds of Grant	37,894	37,894	116,924
Principal Paid on Bonds and Notes	(618,404)	(1,086,002)	(863,140)
Interest Paid on Bonds and Notes	(962,739)	(989,271)	(915,104)
Repayment of Notes	(1,000,000)	(2,350,000)	(2,750,000)
Net Cash Flows from Capital and Related Financing Activities	(4,792,752)	(7,026,084)	186,788
Cash Flows from Investing Activities:			
Payments for Investments	(95,924)	(620,924)	(4,698,678)
Proceeds from Sale and Maturity of Investments	2,510,000	2,675,000	180,000
Interest on Cash, Deposits and Investments	778,102	1,119,535	1,097,127
Net Cash Flows from Investing Activities	3,190,178	3,173,611	(3,421,549)
Net Increase (Decrease) in Cash and Cash Equivalents	(222,174)	(231,410)	(255,690)
Cash and Cash Equivalents, Beginning of Year	364,569	488,888	744,578
Cash and Cash Equivalents, End of Year	\$142,395	\$257,478	\$488,888
Reconciliation of Operating Income (Loss) to Net Cash Provided:			
Operating Income (Loss)	\$821,398	\$1,305,737	\$1,203,817
Adjustment to reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	340,037	1,308,290	1,287,150
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivables	275	33,496	(18,013)
(Increase) Decrease in Inventory	(2,500)	(7,131)	30,428
Increase (Decrease) in Accounts Payable	12,842	151,731	(526,788)
Increase (Decrease) in Accrued Payroll, Sick and Vacation Leave	1,817	14,489	95,457
Net Cash Flows from Operating Activities	\$1,173,869	\$2,806,602	\$2,072,041

INTERNAL SERVICE FUNDS FINANCIAL STATEMENTS

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. The accrual basis of accounting is used for these funds and the measurement focus on income determination.

Employee's Benefits Fund - this fund is used to account for the cost of the City's self-insured health care operations.

Compensated Leave Fund - this fund is used to account for funding the accrued liability of compensated leave of employees.

Municipal Garage Fund - this fund is used to account for the cost of maintaining the City's equipment and automotive fleet.

STATEMENT F-1
CITY OF FAIRFIELD
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 1999

	TOTALS		
	1999	1998	1998
ASSETS			
Current Assets:			
Equity in Pooled Cash and Deposits	\$8,269	\$8,956	\$29,171
Equity in Pooled Investments	185,000	\$75,000	145,000
TOTAL ASSETS	\$193,269	\$83,956	\$174,171
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable		\$6,887	\$24,005
Claims Payable	\$12,542	20,271	
Accrued Payroll, Vacation & Sick Leave			
TOTAL LIABILITIES	\$12,542	\$27,158	\$24,005
FUND EQUITY			
Retained Earnings Reserved	180,727	75,000	150,166
Retained Earnings		(18,202)	
TOTAL FUND EQUITY	180,727	56,798	150,166
TOTAL LIABILITIES AND FUND EQUITY	\$193,269	\$83,956	\$174,171

STATEMENT F-2
CITY OF FAIRFIELD
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	EMPLOYEES BENEFIT FUND	COMPENSATED LEAVE FUND	MUNICIPAL GARAGE FUND	TOTALS
	1999	1999	1999	1998
Operating Revenues				
Charges for Services	\$1,121,949		\$414,920	\$1,536,869
Operating Expenses				
Personal Services	1,097,114		307,313	1,404,427
Contractual Services			6,847	6,847
Materials and Supplies			174,827	174,827
Total Operating Expenses	1,097,114		488,987	1,586,101
Operating Income (Loss)	24,835		(74,067)	(49,232)
Non-Operating Revenues				
Interest Revenue	5,726		865	6,591
Total Non-Operating Revenues	5,726		865	6,591
Net Income (Loss) before Operating Transfers	30,561		(73,202)	(42,641)
Operating Transfers from General Fund		75,000	55,000	130,000
Net Income	30,561	75,000	(18,202)	87,359
Retained Earnings, Beginning of Year	150,166			153,803
Retained Earnings, End of Year	180,727	75,000	(18,202)	237,525

STATEMENT F-3
CITY OF FAIRFIELD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	TOTALS			
	1999	1998	1999	1998
	EMPLOYEES BENEFIT FUND	COMPENSATED LEAVE FUND	MUNICIPAL GARAGE FUND	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,121,949		\$414,920	\$1,175,053
Cash Payments for Goods and Services	(1,108,577)		(174,787)	(1,298,111)
Cash Payments for Wages and Benefits			(287,042)	
Net Cash Flows from Operating Activities	13,372		(46,909)	(121,058)
Cash Flows from Non-Capital Financing Activities:				
Payments from Other Funds		75,000	55,000	130,000
Net Cash Flows from Non-Capital Financing Activities		75,000	55,000	130,000
Cash Flows from Investing Activities:				
Payments for Investments	(40,000)	(75,000)	(50,000)	(165,000)
Proceeds from Sale and Maturity of Investments			50,000	50,000
Interest on Cash, Deposits and Investments	5,726		865	6,591
Net Cash Flows from Investing Activities	(34,274)	(75,000)	865	(108,409)
Net Increase (Decrease) in Cash and Cash Equivalents	(20,902)		8,956	(2,430)
Cash and Cash Equivalents, Beginning of Year	29,171			31,601
Cash and Cash Equivalents, End of Year	\$8,269		\$8,956	\$29,171
Reconciliation of Operating Income (Loss) to Net Cash Provided:				
Operating Income (Loss)	\$24,835		(\$74,067)	(\$49,232)
Adjustment to reconcile Operating Income to Net Cash Provided by Operating Activities:				
Changes in Assets and Liabilities				
Increase (Decrease) in Accounts Payable			6,887	6,887
Increase (Decrease) in Claims Payable	(11,463)			(11,463)
Increase (Decrease) in Accrued Payroll, Sick and Vacation Leave			20,271	20,271
Net Cash Flows from Operating Activities	\$13,372		(\$46,909)	(\$33,537)

FIDUCIARY FUNDS FINANCIAL STATEMENTS

The Fiduciary Funds are established to account for funds held by the City as trustee or agent for individuals, private organizations, other governmental units and/or other funds.

Employee's Trust Fund - this fund is used to account for revenues and expenditures related to the employee recreational activities. Revenues are generated from commissions from the City's vending machines located in the employees' lunchrooms.

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

**STATEMENT G-1
CITY OF FAIRFIELD
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 1999**

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTALS	
	EMPLOYEES TRUST FUND	MUNICIPAL COURT FUND	1999	1998
ASSETS				
Equity in Pooled Cash	\$2,460	\$81,942	\$84,402	\$113,487
TOTAL ASSETS	\$2,460	\$81,942	\$84,402	\$113,487
LIABILITIES & FUND BALANCES				
LIABILITIES				
Due to Other Funds		\$49,354	\$49,354	\$56,161
Due to Other Governmental Units		15,242	15,242	17,025
Deposits Payable		17,346	17,346	37,841
TOTAL LIABILITIES		81,942	81,942	111,027
FUND BALANCES				
Fund Balance Unreserved Undesignated	2,460		2,460	2,460
TOTAL FUND BALANCE	2,460		2,460	2,460
TOTAL LIABILITIES AND FUND BALANCES	\$2,460	\$81,942	\$84,402	\$113,487

**STATEMENT G-2
CITY OF FAIRFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
EXPENDABLE TRUST FUNDS
FOR YEAR ENDED DECEMBER 31, 1999**

	EMPLOYEES TRUST FUND	TOTALS	
		1999	1998
REVENUES			
All Other Revenues			
Commissions			\$104
TOTAL REVENUES			104
EXPENDITURES			
Current			
General Government			
Non-Departmental			56
TOTAL EXPENDITURES			56
Excess (Deficiency) of Revenues Over Expenditures			48
Fund Balance, Beginning of Year	\$2,460	\$2,460	2,412
Fund Balance, End of Year	\$2,460	\$2,460	\$2,460

SCHEDULE G-3
CITY OF FAIRFIELD
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR YEAR ENDED DECEMBER 31, 1999

MUNICIPAL COURT	BALANCE 1/1/99	ADDITIONS	DEDUCTIONS	BALANCE 12/31/99
ASSETS				
Cash	\$111,027	\$1,103,693	\$1,132,778	\$81,942
LIABILITIES				
Due To Other Funds	\$56,161	\$647,970	\$654,777	\$49,354
Due To Other Governmental Units	17,025	203,895	205,678	15,242
Deposits Payable	37,841	251,828	272,323	17,346
TOTAL LIABILITIES	\$111,027	\$1,103,693	\$1,132,778	\$81,942

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in the proprietary fund operations.

**STATEMENT H-1
CITY OF FAIRFIELD
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
DECEMBER 31, 1999 AND 1998**

GENERAL FIXED ASSETS:	1999	1998
Land	\$4,154,175	\$4,219,521
Buildings	14,362,705	8,874,041
Equipment	8,479,714	7,873,284
	<hr/>	<hr/>
TOTAL GENERAL FIXED ASSETS	\$26,996,594	\$20,966,846
	<hr/> <hr/>	<hr/> <hr/>

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:

General Fund	\$2,916,442	\$2,283,541
Special Revenue Funds	6,463,359	6,405,914
Capital Project Funds	17,616,793	12,277,391
	<hr/>	<hr/>
INVESTMENT IN GENERAL FIXED ASSETS	\$26,996,594	\$20,966,846
	<hr/> <hr/>	<hr/> <hr/>

SCHEDULE H-2
CITY OF FAIRFIELD
SCHEDULE OF GENERAL FIXED ASSETS-BY FUNCTION AND ACTIVITY
AS OF DECEMBER 31, 1999

FUNCTION	TOTAL	LAND	BUILDINGS	EQUIPMENT
Security of Persons and Property:				
Police	\$1,190,603			\$1,190,603
Justice Center Building	2,832,096	\$376,947	\$2,117,288	337,861
Fire	4,870,476	284,758	2,308,011	2,277,707
Paramedic	359,380		51,900	307,480
Community Environment:				
Planning	112,249			112,249
Building Inspection	142,992			142,992
Streets and Transportation:				
Street Maintenance	5,371,481	630,000	2,878,244	1,863,237
Garage	86,924			86,924
Leisure Activities:				
Parks Administration	5,522,531	1,138,176	4,327,399	56,956
Park Maintenance	306,521			306,521
General Government:				
Council	70,565			70,565
Mayor	7,190			7,190
City Manager	91,164			91,164
Law Director	9,927			9,927
Court	145,167			145,167
Civil Service	13,945			13,945
Administrative Support	1,474,730	1,089,294		385,436
Finance	71,574			71,574
Tax	56,196			56,196
Data Processing	423,963			423,963
Public Works Administration	139,360			139,360
Engineering	350,584			350,584
Municipal Building	3,346,976	635,000	2,679,863	32,113
Total General Fixed Assets	\$26,996,594	\$4,154,175	\$14,362,705	\$8,479,714

SCHEDULE H-3
CITY OF FAIRFIELD
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS-BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1989

FUNCTION	GENERAL FIXED ASSETS 1/1/89	ADDITIONS	DELETIONS	DEPARTMENTAL TRANSFERS	GENERAL FIXED ASSETS 12/31/88
Security of Persons and Property:					
Police	\$1,103,003	\$186,460	(\$25,503)	(\$73,357)	\$1,190,603
Justice Center	2,832,870		(387)	(387)	2,832,086
Fire	4,133,315	775,440	(5,371)	(32,908)	4,870,476
Paramedic	273,859	90,330	(599)	(4,210)	359,380
Community Environment:					
Planning	79,904	32,511	(2,312)	2,046	112,249
Building Inspection	109,327	11,428	(1,814)	24,051	142,992
Streets and Transportation:					
Street Maintenance	3,472,076	2,081,440	(75,671)	(106,364)	5,371,481
Garage	77,844	1,260		7,820	86,924
Leisure Activities:					
Parks Administration	3,182,050	2,363,345		(22,864)	5,522,531
Park Maintenance	310,021	50,225	(1,395)	(52,330)	306,521
General Government:					
Council	73,967	521	(1,463)	(2,460)	70,565
Mayor	13,880			(6,690)	7,190
City Manager	101,676	311	(2,665)	(8,158)	91,164
Law Director	5,786			4,141	8,927
Court	119,679	6,379	(1,931)	21,040	145,167
Human Resources	3,939	465		9,541	13,945
Administrative Support	1,739,516	441,388	(972,703)	266,429	1,474,730
Finance	86,337	2,105	(8,259)	(8,609)	71,574
Tax	53,521	6,502	(3,258)	(568)	56,196
Data Processing	441,803	1,288	(5,049)	(14,058)	423,963
Public Works Administration	48,743	121,214	(7,147)	(23,450)	139,360
Engineering	358,484	14,380	(43,267)	20,977	350,584
Municipal Building	2,345,146	1,001,505	(45)	370	3,346,976
Total General Fixed Assets	\$20,966,846	\$7,188,587	(\$1,158,839)*	\$0	\$26,996,594

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group accounts for the unmatured principal of bonds or other forms of non-current or long-term general obligation indebtedness that is not a specific liability of any proprietary fund.

**STATEMENT I-1
CITY OF FAIRFIELD
COMPARATIVE SCHEDULE OF GENERAL LONG-TERM DEBT
DECEMBER 31, 1999 AND 1998**

	1999	1998
AMOUNTS AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt		
Service Fund	\$1,244,386	\$1,165,402
Amount to be Provided to Retire		
Long-Term Debt	4,615,614	529,598
Amount to be Provided to Retire		
Other Obligations	1,053,049	973,822
TOTAL AVAILABLE AND TO BE PROVIDED	\$6,913,049	\$2,668,822
	=====	=====
GENERAL LONG-TERM DEBT		
Accrued Payroll, Vacation and		
Sick Leave	\$1,053,049	\$973,822
General Obligation Bonds	5,455,000	1,195,000
Special Assessment Bonds		
with Governmental Commitment	405,000	500,000
TOTAL LONG-TERM DEBT	\$6,913,049	\$2,668,822
	=====	=====

SCHEDULE 1-2
CITY OF FAIRFIELD
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 1999

AMOUNT AVAILABLE AND TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT	1/1/99	ADDITIONS	PAYMENTS	DEBT SERVICE FUND OPERATIONS	12/31/99
Amount Available in Debt Service Funds Amount to be Provided for Retirement of Bond Principal	\$1,165,402			\$78,984	\$1,244,386
Amount to be Provided for Retirement of Other Long-Term Debt	529,598	\$4,500,000	(\$335,000)	(78,984)	4,615,614
	973,822	\$198,799	(119,572)		1,053,049
Total Available and to be Provided	\$2,668,822	\$4,698,799	(\$454,572)	\$0	\$6,913,049
GENERAL LONG-TERM DEBT PAYABLE					
General Obligation Bonds					
1986 Justice Building Bonds	\$450,000		(\$50,000)		\$400,000
1990 Fire Station One Bonds	745,000		(40,000)		705,000
1999 Various Purpose Bonds		\$4,500,000	(150,000)		4,350,000
Special Assessment Bonds with Governmental Commitment					
1982 Corporate Court Assessment Bonds	60,000		(20,000)		40,000
1982 LeSaint Drive Assessment Bonds	90,000		(20,000)		70,000
1983 Industrial Park Assessment Bonds	150,000		(30,000)		120,000
1986 Woodridge Road Assessment Compensated Absences Payable	200,000		(25,000)		175,000
	973,822	\$198,799	(119,572)		1,053,049
Total General Long-Term Debt	\$2,668,822	\$4,698,799	(\$454,572)	\$0	\$6,913,049



Statistical Section

Table 1

**CITY OF FAIRFIELD
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1990-1999)**

Year	General Government	Public Safety	Utility Services	Streets and Transportation	Health and Welfare	Community Environment	Leisure Activities	Capital Outlay	Total
1990	\$ 1,853,174	\$ 4,128,388	\$ 786,968	\$ 905,499	\$ 33,963	\$ 438,272	\$ 380,936	\$ 757,557	\$ 9,284,757
1991	2,005,662	4,388,118	756,923	1,241,496	33,315	383,349	395,170	252,424	9,456,457
1992	2,286,758	4,904,256	868,172	1,312,771	32,217	450,774	421,884	982,359	11,259,191
1993	2,298,846	5,258,432	173,357	1,276,586	31,901	480,096	436,130	320,401	10,275,749
1994	2,528,888	5,650,010	206,602	1,466,434	30,799	519,943	461,227	652,477	11,516,380
1995	2,904,876	6,101,622	289,276	1,522,375	29,220	543,810	546,527	782,636	12,720,442
1996	2,946,686	6,475,432	297,127	1,627,710	28,234	640,091	599,065	1,283,407	13,897,752
1997	3,125,637	6,756,615	317,791	1,644,462	29,147	679,001	707,720	711,956	13,972,329
1998	3,053,126	7,144,615	338,654	1,732,903	27,822	807,002	772,473	931,944	14,808,539
1999	3,449,168	8,200,367	342,155	1,998,534	27,521	955,929	788,275	1,112,977	16,874,926

SOURCE: City of Fairfield Finance Department.

NOTE: The expenditures are those recorded in the General and Special Revenue Funds.

Table 2

CITY OF FAIRFIELD
GENERAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1990-1999)

Year	Income Taxes	Other Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forfeitures	Investment Earnings	Miscellaneous	Total
1990	\$ 4,050,601	\$ 3,504,622	\$ 241,976	\$ 63,800	\$ 162,895	\$ 481,073	\$ 332,608	\$ 194,965	\$ 9,032,540
1991	5,293,700	3,752,778	292,626	66,505	180,634	425,776	308,114	114,258	10,434,391
1992	5,685,420	4,524,956	367,044	96,648	188,157	438,160	223,878	132,405	11,657,671
1993	6,185,289	4,547,667	320,875	19,216	211,021	506,381	208,724	108,292	12,107,465
1994	6,470,830	4,866,438	355,651	110,797	313,197	675,061	293,958	119,167	13,205,099
1995	7,075,878	4,914,931	426,935	172,054	322,170	600,464	482,252	180,194	14,174,878
1996	7,608,341	5,267,020	390,310	69,134	495,151	763,300	494,608	227,047	15,314,911
1997	8,399,717	6,172,611	402,102	105,307	393,699	693,348	644,603	144,758	16,956,145
1998	9,036,663	6,623,960	539,993	396,963	325,553	609,591	667,378	332,261	18,532,362
1999	9,930,687	6,887,419	537,132	256,518	443,094	612,778	562,344	136,589	19,366,561

SOURCE: City of Fairfield Finance Department.

NOTE: The revenues are those recorded in the General and Special Revenue Funds.

Table 3

**CITY OF FAIRFIELD
BILLING AND COLLECTION OF SPECIAL ASSESSMENTS
LAST TEN FISCAL YEARS (1990-1999)**

Year	Assessments Billed	Assessments Collected	Uncollected Amount	Assessments Collected as a Percent of Assessments Billed
1990	\$241,258	\$254,157	(\$12,899)	105.35%
1991	226,277	203,736	22,541	90.04%
1992	220,778	216,732	4,046	98.17%
1993	198,791	207,808	(9,017)	104.54%
1994	218,428	188,408	30,020	86.26%
1995	187,457	180,412	7,045	96.24%
1996	174,090	169,142	4,948	97.16%
1997	186,398	180,717	5,681	96.95%
1998	208,999	188,127	20,872	90.01%
1999	195,340	202,191	(6,851)	103.51%

SOURCE: County Auditor's Office, Butler County.

Table 4

**CITY OF FAIRFIELD
COLLECTION OF PROPERTY TAXES
REAL AND PUBLIC UTILITY PROPERTY TAXES ONLY
LAST TEN FISCAL YEARS (1990-1999)**

Year of Collection	Current Taxes Due	Current Taxes Collected	Ratio of Collection To Amt Due	Delinquent Taxes Collected	Total Taxes Collected	Percentage of Total Collected
1990	\$1,526,277	\$1,459,772	95.6%	\$51,493	\$1,511,265	99.0%
1991	1,637,482	1,509,213	92.2%	58,619	1,567,832	95.7%
1992	1,770,237	1,670,501	94.4%	97,009	1,767,510	99.8%
1993	1,961,522	1,861,805	94.9%	83,958	1,945,763	99.2%
1994	2,019,221	1,908,990	94.5%	62,569	1,971,559	97.6%
1995	2,186,803	2,120,846	97.0%	65,729	2,186,575	100.0%
1996	2,282,324	2,226,136	97.5%	54,268	2,280,404	99.9%
1997	2,311,387	2,265,159	98.0%	45,366	2,310,525	100.0%
1998	2,343,575	2,323,993	99.2%	65,441	2,389,434	102.0%
1999	2,403,795	2,391,493	99.5%	69,951	2,461,444	102.4%

SOURCE: County Auditor's Office, Butler County.

Table 5

**CITY OF FAIRFIELD
COLLECTION OF PROPERTY TAXES
TANGIBLE PERSONAL PROPERTY ONLY
LAST TEN FISCAL YEARS (1990-1999)**

Year of Collection	Current Taxes Due	Current Taxes Collected	Ratio of Collection To Amt Due	Delinquent Taxes Collected	Total Taxes Collected	Percentage of Total Collected
1990	\$218,640	\$213,865	97.82%	\$8,525	\$222,390	101.72%
1991	246,825	231,502	93.79%	23,779	255,281	103.43%
1992	244,824	226,374	92.46%	10,098	236,472	96.59%
1993	245,127	239,107	97.54%	6,498	245,605	100.20%
1994	261,854	236,881	90.46%	2,983	239,864	91.60%
1995	273,988	269,828	98.48%	3,454	273,282	99.74%
1996	374,594	313,007	83.56%	4,233	317,240	84.69%
1997	405,962	351,716	86.64%	17,340	369,056	90.91%
1998	512,636	483,803	94.38%	43,246	527,049	102.81%
1999	394,314	360,681	91.47%	17,607	378,288	95.94%

SOURCE: County Auditor's Office, Butler County.

Table 6

**CITY OF FAIRFIELD
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (1990-1999)**

Year of Collection	Real Property		Public Utility		Personal Property		Total	
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual
1990	\$ 400,756,560	\$ 1,145,018,743	\$ 30,931,610	\$ 88,376,029	\$ 46,913,039	\$ 167,546,568	\$ 478,601,209	\$ 1,400,941,339
1991	485,008,760	1,385,739,314	31,921,820	91,205,200	51,444,687	183,731,025	568,375,267	1,660,675,539
1992	484,943,230	1,385,552,086	37,689,950	107,685,571	57,605,576	205,734,200	580,238,756	1,698,971,857
1993	483,276,470	1,380,789,914	34,712,550	99,178,714	58,076,586	207,416,379	576,065,606	1,687,385,007
1994	519,290,820	1,483,688,057	38,733,880	110,668,229	55,510,132	198,250,471	613,534,832	1,792,606,757
1995	517,998,880	1,479,996,800	40,193,520	114,838,629	57,061,931	203,792,611	615,254,331	1,798,628,039
1996	561,373,670	1,603,924,771	39,486,450	112,818,429	65,005,551	232,162,682	665,865,671	1,948,905,882
1997	599,229,360	1,712,063,886	38,503,940	110,011,257	82,509,703	294,677,511	720,243,003	2,116,772,664
1998	617,858,990	1,765,311,400	37,236,850	106,391,000	89,418,897	298,062,990	744,514,737	2,169,765,390
1999	631,172,270	1,803,349,343	37,098,140	105,994,686	88,625,751	298,062,990	756,896,161	2,207,407,019

SOURCE: County Auditor's Office, Butler County.

NOTES: (a) Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year.

(b) Public utility property taxes collected in a 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.

(c) Tangible personal property collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 31 of said calendar year) at tax rates determined in the preceding year.

Table 7

**CITY OF FAIRFIELD
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (1990-1999)**

Year of Collection	Tax Rates Per \$1,000 of Assessed Valuation							Total
	County Levy	School Levy	Vocational School Levy	Township Levy	City Levy			
1990	\$ 7.45	\$ 46.06	\$ 2.01	\$ 0.29	\$ 4.25	\$	\$ 60.06	
1991	7.45	45.96	1.97	0.29	4.25		59.92	
1992	7.45	50.76	1.97	0.29	4.25		64.72	
1993	7.45	50.76	1.97	0.29	4.25		64.72	
1994	7.45	50.76	1.97	0.29	4.25		64.72	
1995	7.45	50.76	1.97	0.00	4.54		64.72	
1996	8.44	55.16	1.93	0.00	4.54		70.07	
1997	8.45	53.56	1.93	0.00	4.54		68.48	
1998	8.45	53.56	1.93	0.00	4.54		68.48	
1999	8.44	54.16	1.93	0.00	4.54		69.07	

SOURCE: County Auditor's Office, Butler County.

Table 8

CITY OF FAIRFIELD
RATIO OF NET GENERAL OBLIGATION DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN FISCAL YEARS (1990-1999)

Year of Debt	Population	Assessed Value	Net G.O. Debt	Ratio of G.O. Debt to Assessed Value	G.O. Debt Per Capita
1990	39,729	478,601,209	5,250,448	1.10%	132.16
1991	40,326	568,375,267	4,103,735	0.72%	101.76
1992	40,923	580,238,756	3,477,821	0.60%	84.98
1993	41,520	576,065,606	3,045,550	0.53%	73.35
1994	42,000	613,534,832	3,865,827	0.63%	92.04
1995	43,500	615,254,331	2,164,837	0.35%	49.77
1996	44,000	665,865,671	2,677,142	0.40%	60.84
1997	44,000	720,243,003	3,037,444	0.42%	69.03
1998	44,500	744,514,737	3,740,193	0.50%	84.05
1999	45,000	756,896,161	6,096,616	0.81%	135.48

NOTE: (a) General Obligation Debt, Bonds and Notes.

(b) Assessed Value from County Auditor's Office, Butler County.

Table 9

**CITY OF FAIRFIELD
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
December 31, 1999**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Fairfield</u>	<u>Amount Applicable to City of Fairfield</u>
City of Fairfield	\$6,096,616	100.00%	\$6,096,616
Butler County*	16,445,000	14.38%	2,364,791
TOTAL			<u><u>\$8,461,407</u></u>

*SOURCE: County Auditor's Office, Butler County.

NOTES: (a) The Fairfield City Schools/Library are not included as they have no debt applicable to the City of Fairfield.

(b) The percentage of indebtedness of the City's overlapping political subdivisions was determined by dividing the City's assessed valuation by the total assessed valuation of the overlapping subdivision.

Table 10.

CITY OF FAIRFIELD
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS (1990-1999)

Fiscal Year Ended	General Obligation Debt Service Payments (a)			Total General Expenditures	Ratio of Debt Service to Total General Expenditures
	Principal	Interest	Total		
1990	\$ 1,100,000	\$ 480,232	\$ 1,580,232	\$ 9,264,757	17.06%
1991	1,125,000	402,779	1,527,779	9,560,451	15.98%
1992	425,000	342,740	767,740	11,259,191	6.82%
1993	430,000	311,570	741,570	10,275,749	7.22%
1994	430,000	259,043	689,043	11,516,380	5.98%
1995	435,000	224,160	659,160	12,720,442	5.18%
1996	435,000	188,914	623,914	13,897,752	4.49%
1997	435,000	153,795	588,795	13,972,329	4.21%
1998	440,000	118,478	558,478	14,808,539	3.77%
1999	240,000	119,098	359,098	16,874,926	2.13%

SOURCE: City of Fairfield Finance Department.

NOTES: (a) For General Obligation Debt, Bonds and Notes payable from ad valorem and taxes only.

Table 11

**CITY OF FAIRFIELD
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 1999**

Total of all City Debt Outstanding	<u>\$28,934,505</u>
Total Debt subject to 10.5% and 5.5% Debt Limitation	\$6,450,000
Less Applicable Debt Service Fund	<u>353,384</u>
Net Indebtedness subject to 10.5% and 5.5% Debt Limitation	<u>\$6,096,616</u>
Assessed Valuation of the City (1997 for 1998 Collection)	<u>\$756,896,161</u>
10.5% of Assessed Valuation (Maximum Voted Debt Allowed)	\$79,474,097
Total Debt Outstanding subject to 10.5% Debt Limitation	<u>6,096,616</u>
Legal 10.5% Margin	<u>\$73,377,481</u>
5.5% of Assessed Valuation (Maximum Unvoted Debt Allowed)	\$41,629,289
Total Debt Outstanding Subject to 5.5% Debt Limitation	<u>6,096,616</u>
Legal 5.5% Margin	<u>\$35,532,673</u>

NOTE: (a) Direct Debt Limitation Based on Section 133, The Uniform Bond Act of the Ohio Revised Code.

(b) Assessed Value from the County Auditor's Office, Butler County.

Table 12

CITY OF FAIRFIELD
SCHEDULE OF REVENUE BOND COVERAGE-WATER AND SEWER SYSTEMS
LAST TEN FISCAL YEARS (1990-1999)

Fiscal Year	Gross Revenues(a)	Operating Expenses(b)	Net Revenues Available for Debt Service	DEBT SERVICE REQUIREMENTS			Coverage
				Principal	Interest	Total	
1990	\$ 7,904,202	\$ 3,120,076	\$ 4,784,126	\$ 1,016,534	\$ 682,630	\$ 1,699,164	2.82
1991	5,979,552	3,180,374	2,799,178	939,400	527,106	1,466,506	1.91
1992	5,647,022	3,243,293	2,403,729	963,155	502,953	1,466,108	1.64
1993	6,109,526	3,149,250	2,960,276	1,016,760	240,765	1,257,525	2.35
1994	6,497,833	3,712,554	2,785,279	556,328	423,858	980,186	2.84
1995	7,253,579	3,634,074	3,619,505	376,544	234,815	611,359	5.92
1996	7,560,062	3,894,321	3,665,741	303,156	223,431	526,587	6.96
1997	8,123,524	4,257,045	3,866,479	677,871	550,386	1,228,257	3.15
1998	8,677,259	4,247,638	4,429,621	883,140	860,089	1,743,229	2.54
1999	8,693,111	4,363,763	4,329,348	1,085,744	874,269	1,960,013	2.21

SOURCE: City of Fairfield Finance Department.

NOTES: (a) Gross revenue includes operating and non-operating revenues.

(b) Operating expenses include all expenses except interest and depreciation.

Table 13

**CITY OF FAIRFIELD
PROPERTY VALUES, FINANCIAL INSTITUTION DEPOSITS
AND BUILDING PERMIT VALUES
FOR THE LAST TEN FISCAL YEARS (1990-1999)**

Fiscal Year Ended	IN MILLIONS		
	Property Values(a)	Financial Institutions Deposits(b)	Building Permit Values(c)
1990	\$ 1,400.9	\$ 1,204.5	\$ 27.4
1991	1,660.7	904.3	22.5
1992	1,698.9	724.2	21.7
1993	1,687.4	711.7	37.6
1994	1,792.6	737.7	35.0
1995	1,798.6	800.6	45.0
1996	1,948.9	783.3	92.1
1997	2,116.7	815.4	57.2
1998	2,169.8	864.1	81.3
1999	2,207.4	886.4	77.9

SOURCE: (a) County Auditor's Office, Butler County.

(b) Federal Reserve Bank of Cleveland.

(c) City of Fairfield Building Inspection Division.

Table 14

**CITY OF FAIRFIELD
TEN LARGEST TAXPAYERS
December 31, 1999**

	<u>TAXPAYER</u>	<u>TYPE OF PROPERTY</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE</u>
1.	Cincinnati Gas & Electric Company	Utility	\$27,170,140	3.59%
2.	CFC Investment Company	Insurance	18,843,090	2.49%
3.	McKesson Corporation	Warehousing	8,961,810	1.18%
4.	Meijer Incorporated	Retail Merchant	8,264,150	1.09%
5.	Cincinnati Bell Telephone	Telephone Utility	8,248,040	1.09%
6.	Sam Boymel Trustee	Real Estate Management	6,884,460	0.91%
7.	Toy R Us	Warehousing	6,107,720	0.81%
8.	Manor Healthcare Corp	Health Care	5,710,060	0.75%
9.	Purdential Insurance Co.	Insurance	5,359,860	0.71%
10.	M. Bohlke Veneer Corp.	Wood Products	5,298,420	0.70%
	TOTAL		\$100,847,750	13.32%
	Total Assessed Value		\$756,896,161	

SOURCE: County Auditor's Office, Butler County.

Table 15

**CITY OF FAIRFIELD
DEMOGRAPHIC STATISTICS
December 31, 1999**

<u>Year</u>	<u>Fairfield Population (a)</u>	<u>% Change During the Period</u>	<u>Butler County Population</u>	<u>% Change During the Period</u>
1960	9,734		199,076	
1970	14,680	50.81%	266,207	33.72%
1980	30,777	109.65%	258,787	-2.79%
1981	31,621	2.74%	260,000	0.47%
1982	32,465	2.67%	262,990	1.15%
1983	33,309	2.60%	263,500	0.19%
1984	34,153	2.53%	265,460	0.74%
1985	35,000	2.48%	268,750	1.24%
1986	36,000	2.86%	271,500	1.02%
1987	37,000	2.78%	275,500	1.47%
1988	38,000	2.70%	285,000	3.45%
1989	39,000	2.63%	289,500	1.58%
1990	39,729	1.87%	291,479	0.68%
1991	40,326	1.50%	295,851	1.50%
1992	40,923	1.48%	305,041	3.11%
1993	41,520	1.46%	305,444	0.13%
1994	42,000	1.16%	312,476	2.30%
1995	43,500	3.57%	315,601	1.00%
1996	44,000	1.15%	323,579	2.53%
1997	44,250	0.57%	328,263	1.45%
1998	44,500	0.56%	330,428	0.66%
1999	45,000	1.12%	331,065	0.19%

SOURCE: (a) 1980 Population figure taken from the Federal Census Data.

City of Fairfield Planning Department.

OKI Regional Planning Authority.

Table 16

**CITY OF FAIRFIELD, OHIO
MISCELLANEOUS STATISTICS**

Date of Incorporation	1955
Form of Government	Council/City Manager
Area	20.5 square miles
Lane Miles of Streets	340
Number of Street Lights	1,525
Number of Traffic Lights	50
Fire Protection:	
Number of Stations	3
Number of Firemen and Officers	15
Number of Part-Time Firemen	50
Number of Paramedic Units	2 Full-time Paramedic Units
Police Protection:	
Number of Stations	1
Number of Police Officers	49
Public Utility Department:	
Number of Customers	12,000
Average Daily Consumption of Water	3,500,000
Miles of Water Lines	200
Miles of Sewer Lines	175
Recreation and Cultural:	
Number of Parks	14
Number of Libraries	1
Number of Volumes	86,000
Employees:	
Classified Services	162
Exempt	36

Source: City of Fairfield Finance Department



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF FAIRFIELD

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 20, 2000**