



**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**





65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

Village Council  
Village of Fairfax  
5903 Hawthorne Avenue  
Fairfax, OH 45227

We have reviewed the *Independent Auditor's Report* of the Village of Fairfax, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

February 09, 2026

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**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Village of Fairfax  
Hamilton County  
5903 Hawthorne Avenue  
Fairfax, Ohio 45227

To the Village Council:

### **Report on the Audit of the Financial Statements**

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Fairfax, Hamilton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

August 29, 2025

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 233,297	\$ 7,146	\$ -	\$ 240,443
Municipal Income Tax	5,000,929	-	-	5,000,929
Intergovernmental	362,011	199,392	-	561,403
Payment in Lieu of Taxes	-	992,595	-	992,595
Charges for Services	23,650	-	-	23,650
Licenses, Permits and Fees	11,735	-	-	11,735
Fines, Forfeitures and Settlements	39,638	3,983	-	43,621
Earnings on Investments	532,222	-	-	532,222
Miscellaneous	65,364	-	-	65,364
<i>Total Cash Receipts</i>	<i>6,268,846</i>	<i>1,203,116</i>	<i>-</i>	<i>7,471,962</i>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,555,176	3,127	-	1,558,303
Public Health Services	4,458	-	-	4,458
Leisure Time Activities	108,929	-	-	108,929
Community Environment	29,768	-	-	29,768
Basic Utility Services	150,000	-	-	150,000
Transportation	1,641,903	63,552	-	1,705,455
General Government	1,641,251	16,084	-	1,657,335
Capital Outlay	-	-	5,500	5,500
TIF Compensation Payments	-	1,064,690	-	1,064,690
<i>Total Cash Disbursements</i>	<i>5,131,485</i>	<i>1,147,453</i>	<i>5,500</i>	<i>6,284,438</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>1,137,361</i>	<i>55,663</i>	<i>(5,500)</i>	<i>1,187,524</i>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	40,000	150,000	190,000
Transfers Out	(190,000)	-	-	(190,000)
Other Financing Uses	(1,000)	-	-	(1,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(191,000)</i>	<i>40,000</i>	<i>150,000</i>	<i>(1,000)</i>
<i>Net Change in Fund Cash Balances</i>	<i>946,361</i>	<i>95,663</i>	<i>144,500</i>	<i>1,186,524</i>
<i>Fund Cash Balances, January 1</i>	<i>12,337,074</i>	<i>1,040,439</i>	<i>845,932</i>	<i>14,223,445</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 13,283,435</i>	<i>\$ 1,136,102</i>	<i>\$ 990,432</i>	<i>\$ 15,409,969</i>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Fiduciary Fund Types</u>			Combined Total	
	<u>Custodial</u>				
	Private Purpose Trust	Other Custodial			
<b>Additions</b>					
Property and Other Local Taxes Collected for Distribution	\$ -	\$ 1,466,703	\$ 1,466,703		
Earnings on Investments (trust funds only)	50	-	50		
Other Amounts Collected for Distribution	-	61,099	61,099		
<i>Total Additions</i>	<u>50</u>	<u>1,527,802</u>	<u>1,527,852</u>		
<b>Deductions</b>					
Distributions as Fiscal Agent	-	712	712		
Distributions to Other Governments	-	1,276,008	1,276,008		
Distributions to Other Funds (Primary Gov't)	-	242,694	242,694		
<i>Total Deductions</i>	<u>-</u>	<u>1,519,414</u>	<u>1,519,414</u>		
Net Change in Fund Balances	50	8,388	8,438		
<i>Fund Cash Balances, January 1</i>	<u>17,192</u>	<u>391,884</u>	<u>409,076</u>		
<i>Fund Cash Balances, December 31</i>	<u>\$ 17,242</u>	<u>\$ 400,272</u>	<u>\$ 417,514</u>		

The notes to the financial statements are an integral part of this statement.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 1 – Reporting Entity**

The Village of Fairfax (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides police protection, recreation, street maintenance and repair, and general administrative services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool and is associated with a related organization. Notes 7 and 12 to the financial statements provide additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

**Street Construction Maintenance and Repair** - The Street Construction Maintenance and Repair Fund accounts for and reports that a portion of the State gasoline tax and Motor Vehicle License Registration fees restricted for construction, maintenance and repair of street within the Village.

**Tax Increment Financing Fund** This fund is used to account for financial resources related to the Village's tax increment financing agreement.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Major Repairs Fund** The Major Repairs fund accounts for significant maintenance and repair disbursements for Village property.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Village's private purpose trust fund represents a scholarship (John Morgan Lucas/Virmorgan L. Ziegler Scholarship) which benefits a resident going to college.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for the collection and distribution of Mayor's Court fines and forfeitures, and the JED Zone collections and disbursements.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2024 budgetary activity appears in Note 3.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases***

The Village is the lessee in various leases (as defined by GASB 87) related to various office equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Village of Fairfax, Ohio**  
**Hamilton County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2024 follows:

**2024 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 5,139,109	\$ 6,268,846	\$ 1,129,737
Special Revenue	1,526,200	1,243,116	(283,084)
Capital Projects	-	150,000	150,000
Private Purpose Trust	400	50	(350)
<b>Total</b>	<b>\$ 6,665,709</b>	<b>\$ 7,662,012</b>	<b>\$ 996,303</b>

**2024 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 6,875,388	\$ 5,544,192	\$ 1,331,196
Special Revenue	1,657,425	1,216,349	441,076
Capital Projects	154,126	5,500	148,626
Private Purpose Trust	1,000	-	1,000
<b>Total</b>	<b>\$ 8,687,939</b>	<b>\$ 6,766,041</b>	<b>\$ 1,921,898</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 4 – Deposits and Investments (Continued)**

	2024
Demand deposits	\$ 6,675,059
Certificates of deposit	<u>207,188</u>
Total deposits	<u>6,882,247</u>
STAR Ohio	<u>8,623,486</u>
LMJFRD Loan	<u>321,750</u>
Total investments	<u>8,945,236</u>
Total Deposits and Investments	<u><u>\$ 15,827,483</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$45,377 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2023, \$1,545,042 of deposits were not insured or collateralized due to the financial institution obtaining a reduced collateral through OPCS. At December 31, 2024, \$407,329 of deposits were uninsured and uncollateralized in violation of Ohio Revised Code Section 135.18(A).

***Investments***

The Village holds a promissory note issued to the Little Miami Joint Fire & Rescue District (the District) on November 20, 2019, for \$400,000, bearing an interest rate of 1.1%. In April 2020, Village Council passed Ordinance 15-2020, postponing repayment of the note by one year. The District will repay the note in quarterly installments beginning March 31, 2021 and ending December 31, 2025. The District made all payments due in 2021. In July, 2023 Village Council passed Ordinance 13-2023 postponing the repayment of the note for the years 2023 and 2024. The Village maintains an investment ledger.

***Note 5 – Taxes***

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 5 – Taxes (Continued)**

**Income Taxes**

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 – Interfund Balances**

During 2024, the following transfers were made from the General Fund to the Major Repairs and US 50/Culvert funds for operations and maintenance of the parks, streets, and sewers.

	Transfers In	Transfers Out
General Fund	\$ -	\$ (190,000)
Parks & Recreation	40,000	-
Major Repairs Fund	50,000	-
US 50/Culvert	100,000	-
	<hr/> <u>\$ 190,000</u>	<hr/> <u>\$ (190,000)</u>

**Note 7 – Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

Assets	\$ 24,456,615
Liabilities	(16,692,162)
Members' Equity	<u>\$ 7,764,453</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Fairfax, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 7 – Risk Management (Continued)**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village is a member of the Center for Local Government Benefits Pool (the Pool). The Pool's primary purpose and objective is establishing and carrying out a cost effective health program for its member organizations. Each member is entitled to appoint one Director on the Board of Directors. The Jefferson Health Plan serves as the fiscal agent for the Pool.

The Pool contracts with the Jefferson Health Plan, a risk-sharing, claims servicing and insurance purchasing pool, comprise of 120 members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Pools business and affairs are conducted by a nine-member Board of Directors elected from the assembly. The Pool offers medical, vision, dental and prescription drug coverage to its members, with the opportunity to choose from several different benefit plans. The Pool is responsible for claims up to \$150,000 per individual. Pool members also participate in a shared risk internal pool for individual claims between \$150,000 and \$500,000, and all claims within this range are paid from the shared internal risk pool. For all individual claims exceeding \$500,000, stop loss coverage is purchased. All Pool participants also pay a monthly administrative fee for fiscal services and third-party administrative services.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

53 Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

***Ohio Police and Fire Retirement System***

The Village's 10 certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

***Social Security***

One Village employee contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**Village of Fairfax, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Leases**

The Village leases 2 copiers and a folding machine under noncancelable leases. The Village disbursed \$5,845 to pay lease costs for the year ended December 31, 2024.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Joint Ventures**

Columbia Township and the Village of Fairfax contracted to create the Columbia Township Joint Economic Development Zone (JEDZ) for the purpose of facilitating economic development in the Zone.

A 1% income tax was enacted for each JEDZ. Imposition of the tax began on April 1, 2014, and terminates March 31, 2054, with three 10-year automatic extensions.

Distribution of Gross Tax:

Gross tax:  
(Less 1% Reserve fee for future maintenance, administration and expenses),  
(Less Service fee for actual and reasonable costs of the Village's administration, collection, enforcement, and disbursement),  
(Less 2% Escrow fee for the purposes of paying refunds and in general to balance accounts or pay expenses),  
Remainder: Net Distribution

**Village of Fairfax, Ohio**  
**Hamilton County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**Note 12 – Joint Ventures (Continued)**

Distributable revenue means the JEDZ's annual gross income tax revenue minus the sum of the Reserve fee, the Service fee and the Escrow fee. Following the collection of tax throughout December 31 of the first calendar year in which the JEDZ collects tax, distributable revenue from the prior quarter shall be paid to the contracting parties (Columbia Township and the Village of Fairfax) not less than quarterly:

Net Distribution:

90% of the Net Distribution to Columbia Township  
10% of the Net Distribution to Village of Fairfax

**Note 13 – Tax Increment Financing Agreement**

The Village receives payments in lieu of taxes from a Tax Increment Financing (TIF) District within the Village. The TIF receipts are assigned and remitted to the Port of Greater Cincinnati Development Authority through a Cooperative Agreement to make payments on bonds issued by the Port Authority for the purpose of financing costs of the acquisition, construction, installation, equipping, improvement, and development of public infrastructure improvements in cooperation with the Village.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special Revenue		Total
	General	Revenue	
Outstanding Encumbrances	\$ 221,707	\$ 68,896	\$ 290,603
<i>Total</i>	<i>\$ 221,707</i>	<i>\$ 68,896</i>	<i>\$ 290,603</i>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Village received COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 396,485	\$ 6,925	\$ -	\$ 403,410
Municipal Income Tax	4,886,084	-	-	4,886,084
Intergovernmental	1,201,324	182,909	-	1,384,233
Payment in Lieu of Taxes	-	897,488	-	897,488
Charges for Services	8,460	-	-	8,460
Fines, Licenses and Permits	78,014	7,333	-	85,347
Earnings on Investments	211,922	-	-	211,922
Miscellaneous	138,281	-	-	138,281
<i>Total Cash Receipts</i>	<i>6,920,570</i>	<i>1,094,655</i>	<i>-</i>	<i>8,015,225</i>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,719,746	4,379	-	1,724,125
Public Health Services	4,396	-	-	4,396
Leisure Time Activities	62,749	-	-	62,749
Community Environment	27,164	-	-	27,164
Basic Utility Services	139,945	-	-	139,945
Transportation	1,117,272	70,384	-	1,187,656
General Government	1,569,719	51,037	-	1,620,756
Capital Outlay	-	-	58,346	58,346
TIF Compensation Payments	-	897,485	-	897,485
<i>Total Cash Disbursements</i>	<i>4,640,991</i>	<i>1,023,285</i>	<i>58,346</i>	<i>5,722,622</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>2,279,579</i>	<i>71,370</i>	<i>(58,346)</i>	<i>2,292,603</i>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	-	150,000	150,000
Transfers Out	(150,000)	-	-	(150,000)
Other Financing Uses	(88,037)	-	-	(88,037)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(238,037)</i>	<i>-</i>	<i>150,000</i>	<i>(88,037)</i>
<b>Net Change in Fund Cash Balances</b>				
<i>Fund Cash Balances, January 1 (Restated, see note 16)</i>	<i>2,041,542</i>	<i>71,370</i>	<i>91,654</i>	<i>2,204,566</i>
<i>Fund Cash Balances, December 31</i>	<i>10,295,532</i>	<i>969,069</i>	<i>754,278</i>	<i>12,018,879</i>
	<b>\$ 12,337,074</b>	<b>\$ 1,040,439</b>	<b>\$ 845,932</b>	<b>\$ 14,223,445</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Fiduciary Fund Types</u>			Combined Total	
	<u>Custodial</u>				
	Private Purpose Trust	Other Custodial			
<b>Additions</b>					
Property and Other Local Taxes Collected for Distribution	\$ -	\$ 1,644,074	\$ 1,644,074		
Earnings on Investments (trust funds only)	282	-	282		
Other Amounts Collected for Distribution	-	93,858	93,858		
<i>Total Additions</i>	<u>282</u>	<u>1,737,932</u>	<u>1,738,214</u>		
<b>Deductions</b>					
Distributions as Fiscal Agent	-	699	699		
Distributions to Other Governments	-	1,412,496	1,412,496		
Distributions to Other Funds (Primary Gov't)	-	481,249	481,249		
<i>Total Deductions</i>	<u>-</u>	<u>1,894,444</u>	<u>1,894,444</u>		
Net Change in Fund Balances	282	(156,512)	(156,230)		
<i>Fund Cash Balances, January 1</i>	<u>16,910</u>	<u>548,396</u>	<u>565,306</u>		
<i>Fund Cash Balances, December 31</i>	<u>\$ 17,192</u>	<u>\$ 391,884</u>	<u>\$ 409,076</u>		

The notes to the financial statements are an integral part of this statement.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 1 – Reporting Entity**

The Village of Fairfax (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides police protection, recreation, street maintenance and repair, and general administrative services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool and is associated with a related organization. Notes 7 and 11 to the financial statements provide additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

**Street Construction Maintenance and Repair** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

**Tax Increment Financing Fund** This fund is used to account for financial resources related to the Village's tax increment financing agreement.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Major Repairs Fund** The Major Repairs fund accounts for significant maintenance and repair disbursements for Village property.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Village's private purpose trust fund represents a scholarship (John Morgan Lucas/Virmorgan L. Ziegler Scholarship) which benefits a resident going to college.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for the collection and distribution of Mayor's Court fines and forfeitures, and the JED Zone collections and disbursements.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases***

The Village is the lessee in various leases (as defined by GASB 87) related to various office equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Village of Fairfax, Ohio**  
**Hamilton County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

**2023 Budgeted vs. Actual Receipts**

Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 4,868,615	\$ 6,920,570	\$ 2,051,955
Special Revenue	1,375,200	1,094,655	(280,545)
Capital Projects	150,000	150,000	-
Private Purpose Trust	25	282	257
<b>Total</b>	<b>\$ 6,393,840</b>	<b>\$ 8,165,507</b>	<b>\$ 1,771,667</b>

**2023 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Budgetary	Appropriation	Variance
	Expenditures	Authority	
General	\$ 5,032,974	\$ 6,632,024	\$ 1,599,050
Special Revenue	1,096,240	1,593,029	496,789
Capital Projects	58,346	160,000	101,654
Private Purpose Trust	-	1,000	1,000
<b>Total</b>	<b>\$ 6,187,560</b>	<b>\$ 8,386,053</b>	<b>\$ 2,198,493</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 4 – Deposits and Investments (Continued)**

	2023
Demand deposits	\$ 5,929,702
Certificates of deposit	<u>202,545</u>
Total deposits	<u>6,132,247</u>
STAR Ohio	<u>8,178,524</u>
LMJFRD Loan	<u>321,750</u>
Total investments	<u>8,500,274</u>
Total Deposits and Investments	<u><u>\$ 14,632,521</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$64,850 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2023, \$2,745,070 of deposits were not insured or collateralized due to the financial institution obtaining a reduced collateral through OPCS. At December 31, 2024, \$402,086 of deposits were uninsured and uncollateralized in violation of Ohio Revised Code Section 135.18(A).

**Investments**

The Village holds a promissory note issued to the Little Miami Joint Fire & Rescue District (the District) on November 20, 2019, for \$400,000, bearing an interest rate of 1.1%. In April 2020, Village Council passed Ordinance 15-2020, postponing repayment of the note by one year. The District will repay the note in quarterly installments beginning March 31, 2021 and ending December 31, 2025. The District made all payments due in 2021. In July, 2023 Village Council passed Ordinance 13-2023 postponing the repayment of the note for the years 2023 and 2024. The Village maintains an investment ledger.

**Note 5 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 5 – Taxes (Continued)**

**Income Taxes**

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 – Interfund Balances**

During 2023, the following transfers were made from the General Fund to the Major Repairs and US 50/Culvert funds for operations and maintenance of the parks, streets, and sewers.

	Transfers In	Transfers Out
General Fund	\$ -	\$ (150,000)
Major Repairs Fund	50,000	-
US 50/Culvert	100,000	-
	<hr/> <u>\$ 150,000</u>	<hr/> <u>\$ (150,000)</u>

**Note 7 – Risk Management**

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	(16,078,587)
Members' Equity	\$ 7,035,109

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Fairfax, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 – Risk Management (Continued)**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village is a member of the Center for Local Government Benefits Pool (the Pool). The Pool's primary purpose and objective is establishing and carrying out a cost effective health program for its member organizations. Each member is entitled to appoint one Director on the Board of Directors. The Jefferson Health Plan serves as the fiscal agent for the Pool.

The Pool contracts with the Jefferson Health Plan, a risk-sharing, claims servicing and insurance purchasing pool, comprise of 120 members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Pools business and affairs are conducted by a nine-member Board of Directors elected from the assembly. The Pool offers medical, vision, dental and prescription drug coverage to its members, with the opportunity to choose from several different benefit plans. The Pool is responsible for claims up to \$150,000 per individual. Pool members also participate in a shared risk internal pool for individual claims between \$150,000 and \$500,000, and all claims within this range are paid from the shared internal risk pool. For all individual claims exceeding \$500,000, stop loss coverage is purchased. All Pool participants also pay a monthly administrative fee for fiscal services and third-party administrative services.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

***Ohio Police and Fire Retirement System***

Village's certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

***Social Security***

One Village employee contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**Village of Fairfax, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Leases**

The Village leases 2 copiers and a folding machine under noncancelable leases. The Village disbursed \$5,455 to pay lease costs for the year ended December 31, 2023.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Joint Ventures**

Columbia Township and the Village of Fairfax contracted to create the Columbia Township Joint Economic Development Zone (JEDZ) for the purpose of facilitating economic development in the Zone.

A 1% income tax was enacted for each JEDZ. Imposition of the tax began on April 1, 2014, and terminates March 31, 2054, with three 10-year automatic extensions.

Distribution of Gross Tax:

Gross tax:  
(Less 1% Reserve fee for future maintenance, administration and expenses),  
(Less Service fee for actual and reasonable costs of the Village's administration, collection, enforcement, and disbursement),  
(Less 2% Escrow fee for the purposes of paying refunds and in general to balance accounts or pay expenses),  
Remainder: Net Distribution

**Village of Fairfax, Ohio**  
*Hamilton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 12 – Joint Ventures (Continued)**

Distributable revenue means the JEDZ's annual gross income tax revenue minus the sum of the Reserve fee, the Service fee and the Escrow fee. Following the collection of tax throughout December 31 of the first calendar year in which the JEDZ collects tax, distributable revenue from the prior quarter shall be paid to the contracting parties (Columbia Township and the Village of Fairfax) not less than quarterly:

Net Distribution:

90% of the Net Distribution to Columbia Township  
10% of the Net Distribution to Village of Fairfax

**Note 13 – Tax Increment Financing Agreement**

The Village receives payments in lieu of taxes from a Tax Increment Financing (TIF) District within the Village. The TIF receipts are assigned and remitted to the Port of Greater Cincinnati Development Authority through a Cooperative Agreement to make payments on bonds issued by the Port Authority for the purpose of financing costs of the acquisition, construction, installation, equipping, improvement, and development of public infrastructure improvements in cooperation with the Village.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special		
	General	Revenue	Total
Outstanding Encumbrances	\$ 153,946	\$ 72,955	\$ 226,901
<i>Total</i>	<u>\$ 153,946</u>	<u>\$ 72,955</u>	<u>\$ 226,901</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Village received COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Village of Fairfax, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 16 – Prior Period Restatement**

The following adjustment is reflected in the January 1, 2023 fund balances:

	General Fund
December 31, 2022 audited balances	\$ 10,293,052
Adjustment to account for canceled checks	2,480
January 1, 2023 balances	<u>\$ 10,295,532</u>

The Village canceled checks that were outstanding and reissued new checks.

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

Village of Fairfax  
Hamilton County  
5903 Hawthorne Avenue  
Fairfax, Ohio 45227

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Fairfax, Hamilton County, Ohio (the Village) and have issued our report thereon dated August 29, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

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Village of Fairfax  
Hamilton County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings as item 2024-002.

***Village's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of audit findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

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



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

August 29, 2025

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2024-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- In 2024, the Village did not record the Mayor's Court activity to the accounting system.
- In 2024, the Village did not record the JEDZ Fund activity to the financial statements.
- Tax Increment Financing revenue was improperly recorded as Other Financing Sources instead of Payments in Lieu of Taxes in 2024.
- Tax Increment Financing expenditures were improperly recorded as Capital Outlay instead of TIF Compensation Payments in 2024.
- Intergovernmental receipts were classified as miscellaneous in 2024.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments, and the Village has posted all adjustments to its accounting system. There were also additional errors noted that were not material in nature and are, therefore, not reflected in the financial statements.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response:** The Village will address moving forward.

**FINDING NUMBER 2024-002**

**Noncompliance**

**Ohio Revised Code 733.40** requires, except as otherwise provided in Ohio Revised Code Section 4511.193, all fines, forfeitures, and cost in ordinance cases and all fees collected by the mayor, or which in any manner come into his or her hands, or which are due to such mayor or a marshal, chief of police, or other officer of the municipal corporation, any other fees and expenses which have been advanced out of the treasury of the municipal corporation, and all money received by such mayor for the use of such municipal corporation, shall be paid by clerk into the Village's treasury on the first Monday of each month.

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2024-002 (Continued)**

**Noncompliance (Continued)**

**Ohio Rev. Code Sections 2743.70 and 2949.091** require the Court, in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, to impose and collect additional costs to be used for the State's Reparations Fund and the State's General Fund, respectively. All such moneys collected during a month under Ohio Rev. Code Section 2743.70 shall be transmitted on the first business day of each month by the Clerk of the Court to the Treasurer of State and deposited by the Treasurer in the Reparations Fund. All such moneys collected during a month under Ohio Rev. Code Section 2949.091 shall be transmitted on or before the twentieth day of the following month by the Clerk of the Court to the Treasurer of State and deposited by the Treasurer into the General Fund.

During the audit period, the Village Mayor's Court collected, but failed to remit payments to the Village's General Fund and to the County in a timely manner. The Village Mayor's Court should remit moneys owed to the County and Village in a timely manner.

We recommend the Village distribute the correct fines collected by the Village's Mayor's Court to the Village's General Fund, the State, and other applicable agencies by the required dates.

**Officials' Response:** The Village will address moving forward.

**VILLAGE OF FAIRFAX  
HAMILTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Not Corrected	Repeated as Finding 2024-001
2022-002	Mayor's Court Remittances	Not Corrected	Repeated as Finding 2024-002

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# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF FAIRFAX

HAMILTON COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/19/2026

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)