

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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

City Council
City of Campbell
351 Tenney Ave
Campbell, OH 44405

We have reviewed the *Independent Auditor's Report* of the City of Campbell, Mahoning County, prepared by Zupka & Associates, for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 26, 2022

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**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Campbell
Campbell, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.
Certified Public Accountants

August 22, 2022

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City of Campbell, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis of the City of Campbell's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Financial highlights for 2021 are as follows:

- The City's net position increased during 2021 due primarily to increases in net capital assets and significant decreases in both the net pension and net OPEB liabilities.
- Total governmental capital assets increased due to current year additions to vehicles and infrastructure outpacing annual depreciation. The business-type activities capital assets also increased as a result of current year additions to construction in progress exceeding depreciation for the year.
- The City entered into two new leases, one for a new police vehicle and another for a fire truck. These leases meet the criteria of a capital lease and have been recorded as capital assets on the government-wide statement of net position.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the readers can understand the City of Campbell as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting on the City of Campbell as a Whole

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question.

These statements include all *assets* and *deferred outflows of resources* and *liabilities* and *deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Campbell, Ohio
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These two statements report the City's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the *financial position* of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's tax base, current property tax laws in Ohio restricting revenue growth and other factors.

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities – Most of the City's programs and services are reported here including general government, security of persons and property, transportation, community development and leisure time activities. These services are funded primarily by taxes and intergovernmental revenues including Federal and State grants and other shared revenues.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

Reporting on the Most Significant Funds of the City of Campbell

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, the street construction, maintenance and repair special revenue fund and the infrastructure/equipment improvement capital projects fund.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

City of Campbell, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
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Proprietary Funds Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's major enterprise funds are the water and storm water management funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund reports on City departments' self-insurance programs for employee medical/hospitalization, dental, vision and life benefits.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds are custodial funds.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The City of Campbell as a Whole

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2021 as they compare to 2020.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$13,250,493	\$13,379,099	\$529,621	\$629,878	13,780,114	\$14,008,977
Net OPEB Asset	117,603	0	943	0	118,546	0
Capital Assets, Net	3,303,549	2,713,487	128,998	89,734	3,432,547	2,803,221
<i>Total Assets</i>	<u>16,671,645</u>	<u>16,092,586</u>	<u>659,562</u>	<u>719,612</u>	<u>17,331,207</u>	<u>16,812,198</u>
Deferred Outflows of Resources						
Pension	554,919	811,490	1,103	1,821	556,022	813,311
OPEB	318,679	517,117	470	1,414	319,149	518,531
<i>Total Deferred Outflows of Resources</i>	<u>873,598</u>	<u>1,328,607</u>	<u>1,573</u>	<u>3,235</u>	<u>875,171</u>	<u>1,331,842</u>
Liabilities						
Current Liabilities	627,899	536,327	66,030	1,276	693,929	537,603
Long-term Liabilities						
Due within one Year	198,235	148,670	27,260	26,701	225,495	175,371
Due in More than one Year						
Net Pension Liability	3,418,723	4,136,924	8,315	13,519	3,427,038	4,150,443
Net OPEB Liability	369,920	1,470,559	0	8,899	369,920	1,479,458
Other Amounts	698,877	561,455	0	27,260	698,877	588,715
<i>Total Liabilities</i>	<u>\$5,313,654</u>	<u>\$6,853,935</u>	<u>\$101,605</u>	<u>\$77,655</u>	<u>\$5,415,259</u>	<u>\$6,931,590</u>

City of Campbell, Ohio
Management's Discussion and Analysis
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(Table 1)
Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Deferred Inflows of Resources						
Property Taxes	\$634,918	\$624,427	\$0	\$0	\$634,918	\$624,427
Pension	1,389,611	1,357,685	6,156	5,387	1,395,767	1,363,072
OPEB	787,701	562,110	4,391	2,906	792,092	565,016
<i>Total Deferred Inflows of Resources</i>	<u>2,812,230</u>	<u>2,544,222</u>	<u>10,547</u>	<u>8,293</u>	<u>2,822,777</u>	<u>2,552,515</u>
Net Position						
Net Investment in Capital Assets	2,875,456	2,678,212	44,527	35,773	2,919,983	2,713,985
Restricted for:						
Capital Projects	7,157,543	7,392,713	0	0	7,157,543	7,392,713
Safety Forces	157,151	178,136	0	0	157,151	178,136
Streets	778,135	414,311	0	0	778,135	414,311
Parks	327,981	299,769	0	0	327,981	299,769
Other Purposes	1,166,479	1,118,729	0	0	1,166,479	1,118,729
Unrestricted (Deficit)	<u>(3,043,386)</u>	<u>(4,058,834)</u>	<u>504,456</u>	<u>601,126</u>	<u>(2,538,930)</u>	<u>(3,457,708)</u>
<i>Total Net Position</i>	<u>\$9,419,359</u>	<u>\$8,023,036</u>	<u>\$548,983</u>	<u>\$636,899</u>	<u>\$9,968,342</u>	<u>\$8,659,935</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

By comparing assets and deferred outflows of resources and liabilities and deferred inflows of resources, one can see the overall position of the City has increased when compared with the prior year as evidenced by the increase in net position for governmental activities.

City of Campbell, Ohio
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The increase in governmental net position can be attributed to an increase in net capital assets and a decrease in the net pension/OPEB liabilities. The increase in capital assets was due to new additions outpacing depreciation for the year. The net pension/OPEB liabilities represent the City's proportionate share of the pension/OPEB plans' unfunded benefits. As indicated above, changes in pension/OPEB benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liabilities.

The net position for business-type activities decreased from 2020. The decrease in business-type net position can be attributed mainly to a decrease in cash and cash equivalents as result of transfers out from the water fund to the general fund.

Management continues to diligently plan expenses, staying carefully within the City's revenues in an effort to maintain excellent levels of service within the constraints of the budget.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net position for fiscal years 2021 and 2020.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Revenues						
Charges for Services	\$1,235,293	\$1,194,945	\$159,528	\$183,434	\$1,394,821	\$1,378,379
Operating Grants and Contributions	956,689	1,206,647	0	0	956,689	1,206,647
Capital Grants	3,932	0	0	0	3,932	0
<i>Total Program Revenues</i>	<u>2,195,914</u>	<u>2,401,592</u>	<u>159,528</u>	<u>183,434</u>	<u>2,355,442</u>	<u>2,585,026</u>
General Revenues						
Property Taxes	633,691	669,406	0	0	633,691	669,406
Municipal Income Tax	1,841,002	1,888,216	0	0	1,841,002	1,888,216
Grants and Entitlements not Restricted to Specific Programs	340,803	393,842	0	0	340,803	393,842
Interest	79,589	74,851	0	0	79,589	74,851
Other	537,239	462,269	2,489	2,045	539,728	464,314
<i>Total General Revenues</i>	<u>3,432,324</u>	<u>3,488,584</u>	<u>2,489</u>	<u>2,045</u>	<u>3,434,813</u>	<u>3,490,629</u>
<i>Total Revenues</i>	<u>\$5,628,238</u>	<u>\$5,890,176</u>	<u>\$162,017</u>	<u>\$185,479</u>	<u>\$5,790,255</u>	<u>\$6,075,655</u>

City of Campbell, Ohio
Management's Discussion and Analysis
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(Table 2)
Changes in Net Position (continued)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Expenses						
General Government	\$1,429,460	\$2,124,494	\$0	\$0	\$1,429,460	\$2,124,494
Security of Persons and Property:						
Police	1,199,119	1,572,547	0	0	1,199,119	1,572,547
Fire	517,494	495,057	0	0	517,494	495,057
Transportation	419,725	721,330	0	0	419,725	721,330
Community Environment	(50,685)	9,022	0	0	(50,685)	9,022
Basic Utility Services	462,588	535,812	0	0	462,588	535,812
Leisure Time Activities	336,579	299,172	0	0	336,579	299,172
Interest and Fiscal Charges	18,907	17,695	0	0	18,907	17,695
Water	0	0	2,611	484,952	2,611	484,952
Storm Water Management	0	0	146,050	104,267	146,050	104,267
<i>Total Program Expenses</i>	<u>4,333,187</u>	<u>5,775,129</u>	<u>148,661</u>	<u>589,219</u>	<u>4,481,848</u>	<u>6,364,348</u>
Special Item - Disposal of Water Operations	0	0	0	2,647,365	0	2,647,365
Transfers	101,272	6,838,712	(101,272)	(6,838,712)	0	0
<i>Change in Net Position</i>	<u>1,396,323</u>	<u>6,953,759</u>	<u>(87,916)</u>	<u>(4,595,087)</u>	<u>1,308,407</u>	<u>2,358,672</u>
Net Position Beginning of Year	<u>8,023,036</u>	<u>1,069,277</u>	<u>636,899</u>	<u>5,231,986</u>	<u>8,659,935</u>	<u>6,301,263</u>
Net Position End of the Year	<u>\$9,419,359</u>	<u>\$8,023,036</u>	<u>\$548,983</u>	<u>\$636,899</u>	<u>\$9,968,342</u>	<u>\$8,659,935</u>

Governmental Activities

Funding for governmental activities is derived from several sources, the largest of which is the City's municipal income tax. For 2021, annual income tax receipts were more than half of all general revenues. The City's income tax rate is currently 2.5 percent. Residents of the City who work in another community receive a 100 percent credit on income earned outside the City and paid to another municipality.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. Local government funding saw a decrease as the City began to receive less monthly State funded disbursements. Investment earnings and miscellaneous receipts are somewhat unpredictable revenue sources.

Program revenues represent less than half of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, charges for services for trash collection, fine money allocated to and restricted for use by the municipal court and grant money restricted by the State and Federal granting agencies. 2021 saw a decrease in operating grants and contributions due to a decrease in pandemic relief aid.

Expenses for general government represent the overhead costs of running the City and the support services provided for the other governmental activities. These include the costs of council, the mayor, administration, law, finance (income tax, central cash, accounts payable, and payroll), and the Municipal Court.

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Security of persons and property are the costs of police and fire protection; transportation is the cost of maintaining the roads; community environment represents expenses for private residential rehab and other activities through the CHIP program, and other activities which include road paving under the Small Cities Formula Allocation Program, both of which are funded with Federal Community Development Block Grants; basic utility services are the costs of providing trash collections services; leisure time activities are the costs of maintaining the parks and playing fields.

A separate five-year, three mills Safety Forces Levy provides approximately \$200,000 net of County Auditor and Treasurer's fees annually, allocated \$100,000 each to offset salaries from the Police and Fire Departments.

Business-Type Activities

The City had two business-type activities in 2021, water treatment and storm water management. The largest sources of revenue for both water and storm water in 2021 were charges for services. These two activities received charges for services of \$12,568 from water and \$146,960 from storm water management. Water and storm water management expenses for 2021 amounted to \$2,611 and \$146,050, respectively. Personal services and contractual services were the largest expenses for the storm water management fund.

The City's Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins with the balance sheet. The funds are accounted for using the modified accrual method of accounting.

As of the end of 2021, the City of Campbell's governmental funds reported a positive combined ending fund balance. The City's major governmental funds are the general fund, the street construction, maintenance and repair special revenue fund and the infrastructure/equipment improvement capital projects fund. The general fund had a decrease in fund balance due to higher general government expenditures for personal services and contractual service costs. The street construction, maintenance and repair special revenue fund had an increase in fund balance due to an increase in intergovernmental revenues as well as to a decrease in street maintenance costs. The infrastructure/equipment improvement capital projects fund had a decrease in fund balance due to an increase in capital expenditures.

Proprietary funds are accounted for on an accrual basis.

Enterprise funds are handled in the same manner as governmental funds, with the intent to ensure the strength of these funds. These funds had total operating revenue of \$162,017 and total operating expenses of \$147,764.

General Fund Budgeting Highlights

Budgeting for the operations of the City is done as prescribed by Ohio Revised Code. Essentially the budget is the City's appropriations, which is restricted by the amounts of the anticipated revenues certified by the Budget Commission in accordance with Ohio Revised Code. In 2021, actual revenues for the general fund were greater than final estimated revenues due to all revenues coming in higher than expected for the year. City Council's actual expenditures were less than final appropriations due to the City's careful monitoring of expenditures.

City of Campbell, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Capital Assets and Debt Administration

Capital Assets

Total capital assets for the governmental activities, net of accumulated depreciation increased. Current year capital asset additions consisted of infrastructure street improvements and the purchase of a police vehicle and fire truck. The value of these additions was more than the current year depreciation, resulting in an increase to capital assets.

Total capital assets for the business-type activities, net of accumulated depreciation increased due to additions to construction in progress for sewer drain improvements exceeding current year depreciation. See Note 10 to the basic financial statements for additional information on capital assets.

Long-Term Obligations

The long-term obligations include net pension and post-employment liabilities, police and fire pension liability, capital leases and compensated absences.

Police and Fire Pension accrued liability payments are funded by two separate allocations of 0.3 mills inside millage, which generates approximately \$42,000 annually.

In prior years, the City entered into a capital lease agreement for a tractor and street sweeper. In 2021, the City entered into new capital lease agreements for two trucks, one for the police department and the other for fire department.

The City's overall legal debt margin was \$7,584,900 with an unvoted debt margin of \$3,973,043 at December 31, 2021. For more information about the City's long-term obligations, see Note 13 to the basic financial statements.

Current Financial Issues

The City is encouraging development of the land located in former steel mill property since the property has now been environmentally cleared. A grant was obtained for Brownfield restoration and environmental studies.

The challenge for the City is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The City relies heavily on local taxes and has very little industry to support the tax base. Faced with declining revenues, increased costs for goods and services, primarily energy costs, the City is attempting to hold down on expenditures wherever possible, and keep personnel costs in check.

Contacting the City of Campbell's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Nikitas Tsikouris, Director of Finance, 351 Tenney Avenue, Campbell, Ohio 44405, telephone 330-755-9863.

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

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$10,627,367	\$476,148	\$11,103,515
Cash and Cash Equivalents			
In Segregated Accounts	23,342	0	23,342
Property Taxes Receivable	882,538	0	882,538
Income Taxes Receivable	860,613	0	860,613
Accounts Receivable	185,679	52,649	238,328
Intergovernmental Receivable	481,551	0	481,551
Prepaid Items	170,644	824	171,468
Materials and Supplies Inventory	18,759	0	18,759
Net OPEB Asset (See Note 16)	117,603	943	118,546
Nondepreciable Capital Assets	777,598	57,211	834,809
Depreciable Capital Assets, Net	2,525,951	71,787	2,597,738
<i>Total Assets</i>	<u>16,671,645</u>	<u>659,562</u>	<u>17,331,207</u>
Deferred Outflow of Resources			
Pension	554,919	1,103	556,022
OPEB	318,679	470	319,149
<i>Total Deferred Outflows of Resources</i>	<u>873,598</u>	<u>1,573</u>	<u>875,171</u>
Liabilities			
Accounts Payable	26,249	7,332	33,581
Contracts Payable	149,745	57,211	206,956
Accrued Wages	72,246	866	73,112
Intergovernmental Payable	43,022	383	43,405
Matured Compensated Absences Payable	62,952	0	62,952
Accrued Interest Payable	3,033	238	3,271
Claims Payable	18,129	0	18,129
Unearned Revenue	252,523	0	252,523
Long-Term Liabilities:			
Due Within One Year	198,235	27,260	225,495
Due In More Than One Year			
Net Pension Liability (See Note 15)	3,418,723	8,315	3,427,038
Net OPEB Liability (See Note 16)	369,920	0	369,920
Other Amounts	698,877	0	698,877
<i>Total Liabilities</i>	<u>5,313,654</u>	<u>101,605</u>	<u>5,415,259</u>
Deferred Inflows of Resources			
Property Taxes	634,918	0	634,918
Pension	1,389,611	6,156	1,395,767
OPEB	787,701	4,391	792,092
<i>Total Deferred Inflows of Resources</i>	<u>2,812,230</u>	<u>10,547</u>	<u>2,822,777</u>
Net Position			
Net Investment in Capital Assets	2,875,456	44,527	2,919,983
Restricted for:			
Capital Projects	7,157,543	0	7,157,543
Safety Forces	157,151	0	157,151
Streets	778,135	0	778,135
Parks	327,981	0	327,981
Other Purposes	1,166,479	0	1,166,479
Unrestricted (Deficit)	(3,043,386)	504,456	(2,538,930)
<i>Total Net Position</i>	<u>\$9,419,359</u>	<u>\$548,983</u>	<u>\$9,968,342</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,429,460	\$359,678	\$182,838	\$0
Security of Persons and Property:				
Police	1,199,119	264,776	76,892	0
Fire	517,494	74,670	25,437	0
Transportation	419,725	0	635,472	3,932
Community Environment	(50,685)	0	29,992	0
Basic Utility Services	462,588	507,019	0	0
Leisure Time Activities	336,579	29,150	6,058	0
Interest and Fiscal Charges	18,907	0	0	0
<i>Total Governmental Activities</i>	<u>4,333,187</u>	<u>1,235,293</u>	<u>956,689</u>	<u>3,932</u>
Business-Type Activities:				
Water	2,611	12,568	0	0
Storm Water Management	146,050	146,960	0	0
<i>Total Business-Type Activities</i>	<u>148,661</u>	<u>159,528</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u><u>\$4,481,848</u></u>	<u><u>\$1,394,821</u></u>	<u><u>\$956,689</u></u>	<u><u>\$3,932</u></u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Street

 Police

 Fire

Municipal Income Taxes Levied for:

 General Purposes

 Park

Grants and Entitlements not Restricted
to Specific Programs

Interest

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$886,944)	\$0	(\$886,944)
(857,451)	0	(857,451)
(417,387)	0	(417,387)
219,679	0	219,679
80,677	0	80,677
44,431	0	44,431
(301,371)	0	(301,371)
(18,907)	0	(18,907)
<u>(2,137,273)</u>	<u>0</u>	<u>(2,137,273)</u>
0	9,957	9,957
<u>0</u>	<u>910</u>	<u>910</u>
0	10,867	10,867
<u>(2,137,273)</u>	<u>10,867</u>	<u>(2,126,406)</u>
278,927	0	278,927
124,993	0	124,993
92,937	0	92,937
136,834	0	136,834
1,651,040	0	1,651,040
189,962	0	189,962
340,803	0	340,803
79,589	0	79,589
<u>537,239</u>	<u>2,489</u>	<u>539,728</u>
3,432,324	2,489	3,434,813
<u>101,272</u>	<u>(101,272)</u>	<u>0</u>
<u>3,533,596</u>	<u>(98,783)</u>	<u>3,434,813</u>
1,396,323	(87,916)	1,308,407
<u>8,023,036</u>	<u>636,899</u>	<u>8,659,935</u>
<u>\$9,419,359</u>	<u>\$548,983</u>	<u>\$9,968,342</u>

City of Campbell, Ohio

Balance Sheet

Governmental Funds

December 31, 2021

	General	Street Construction, Maintenance and Repair	Infrastructure/ Equipment Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$988,862	\$225,728	\$7,156,888	\$1,984,946	\$10,356,424
Cash and Cash Equivalents In Segregated Accounts	15,940	0	0	7,402	23,342
Receivables:					
Property Taxes	423,476	208,766	0	250,296	882,538
Income Taxes	774,552	0	0	86,061	860,613
Accounts	17,997	0	0	167,682	185,679
Intergovernmental	155,672	231,134	0	94,745	481,551
Interfund Receivable	177,459	0	0	0	177,459
Materials and Supplies Inventory	0	18,759	0	0	18,759
Prepaid Items	141,480	14,170	0	14,994	170,644
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	37,995	0	0	0	37,995
<i>Total Assets</i>	<u>\$2,733,433</u>	<u>\$698,557</u>	<u>\$7,156,888</u>	<u>\$2,606,126</u>	<u>\$13,195,004</u>
Liabilities					
Accounts Payable	\$24,399	\$491	\$0	\$1,359	\$26,249
Contracts Payable	0	149,745	0	0	149,745
Accrued Wages	61,217	4,725	0	6,304	72,246
Intergovernmental Payable	38,655	2,066	0	2,301	43,022
Interfund Payable	0	0	0	177,459	177,459
Matured Compensated Absences Payable	62,952	0	0	0	62,952
Unearned Revenue	0	0	0	252,523	252,523
<i>Total Liabilities</i>	<u>187,223</u>	<u>157,027</u>	<u>0</u>	<u>439,946</u>	<u>784,196</u>
Deferred Inflows of Resources					
Property Taxes	304,658	150,191	0	180,069	634,918
Unavailable Revenue	919,392	217,984	0	343,714	1,481,090
<i>Total Deferred Inflows of Resources</i>	<u>1,224,050</u>	<u>368,175</u>	<u>0</u>	<u>523,783</u>	<u>2,116,008</u>
Fund Balances					
Nonspendable	165,475	32,929	0	14,994	213,398
Restricted	0	140,426	7,156,888	1,711,961	9,009,275
Committed	0	0	0	52,370	52,370
Assigned	558,674	0	0	0	558,674
Unassigned (Deficit)	598,011	0	0	(136,928)	461,083
<i>Total Fund Balances</i>	<u>1,322,160</u>	<u>173,355</u>	<u>7,156,888</u>	<u>1,642,397</u>	<u>10,294,800</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,733,433</u>	<u>\$698,557</u>	<u>\$7,156,888</u>	<u>\$2,606,126</u>	<u>\$13,195,004</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2021*

Total Governmental Fund Balances	\$10,294,800
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,303,549
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	247,620
Municipal Income Taxes	764,989
Intergovernmental	336,495
Charges for Services	<u>131,986</u>
Total	1,481,090
The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund is included as part of governmental activities in the statement of net position.	214,819
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(3,033)
The net OPEB asset, the net pension liability and the net OPEB liability are not due and payable in the current period; therefore, the liability and related related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	554,919
Net Pension Liability	(3,418,723)
Deferred Inflows - Pension	(1,389,611)
Net OPEB Asset	117,603
Deferred Outflows - OPEB	318,679
Net OPEB Liability	(369,920)
Deferred Inflows - OPEB	<u>(787,701)</u>
Total	(4,974,754)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Police and Fire Pension Loan	(360,699)
Capital Leases	(278,348)
Compensated Absences	<u>(258,065)</u>
Total	<u>(897,112)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$9,419,359</u></u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Street Construction, Maintenance and Repair	Infrastructure/ Equipment Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$330,313	\$150,124	\$0	\$259,990	\$740,427
Municipal Income Taxes	1,765,950	0	0	202,730	1,968,680
Charges for Services	98,750	0	0	445,195	543,945
Fines, Licenses and Permits	409,171	0	0	191,203	600,374
Intergovernmental	322,263	458,807	3,932	444,430	1,229,432
Interest	78,960	209	0	420	79,589
Rentals	0	0	0	29,150	29,150
Contributions and Donations	0	0	0	6,284	6,284
Other	268,260	11,494	38,275	219,210	537,239
<i>Total Revenues</i>	<u>3,273,667</u>	<u>620,634</u>	<u>42,207</u>	<u>1,798,612</u>	<u>5,735,120</u>
Expenditures					
Current:					
General Government	1,633,800	0	0	337,592	1,971,392
Security of Persons and Property:					
Police	1,415,893	0	0	234,436	1,650,329
Fire	547,808	0	0	150,448	698,256
Transportation	0	517,243	0	23,356	540,599
Community Environment	0	0	0	4,630	4,630
Basic Utility Services	0	0	0	462,588	462,588
Leisure Time Activities	0	0	0	352,520	352,520
Capital Outlay	0	0	537,191	50,800	587,991
Debt Service:					
Principal Retirement	1,745	15,710	68,628	19,522	105,605
Interest and Fiscal Charges	74	664	714	15,954	17,406
<i>Total Expenditures</i>	<u>3,599,320</u>	<u>533,617</u>	<u>606,533</u>	<u>1,651,846</u>	<u>6,391,316</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(325,653)</u>	<u>87,017</u>	<u>(564,326)</u>	<u>146,766</u>	<u>(656,196)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	0	0	329,156	0	329,156
Transfers In	101,272	0	0	0	101,272
<i>Total Other Financing Sources (Uses)</i>	<u>101,272</u>	<u>0</u>	<u>329,156</u>	<u>0</u>	<u>430,428</u>
<i>Net Change in Fund Balances</i>	<u>(224,381)</u>	<u>87,017</u>	<u>(235,170)</u>	<u>146,766</u>	<u>(225,768)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,546,541</u>	<u>86,338</u>	<u>7,392,058</u>	<u>1,495,631</u>	<u>10,520,568</u>
<i>Fund Balances End of Year</i>	<u>\$1,322,160</u>	<u>\$173,355</u>	<u>\$7,156,888</u>	<u>\$1,642,397</u>	<u>\$10,294,800</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021*

Net Change in Fund Balances - Total Governmental Funds (\$225,768)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Asset Additions	747,174	
Current Year Depreciation	<u>(157,112)</u>	
Total		590,062

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

Delinquent Property Taxes	(106,736)	
Municipal Income Taxes	(127,678)	
Intergovernmental	65,708	
Charges for Services	<u>61,824</u>	
Total		(106,882)

The internal service fund used by management is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds. 103,482

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	329,406	
OPEB	<u>4,991</u>	
Total		334,397

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset and liabilities are reported as pension expense in the statement of activities.

Pension	100,298	
OPEB	<u>789,222</u>	
Total		889,520

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 105,605

In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due. (1,501)

Some expenses do not require the use of current financial resources such as compensated absences, therefore are not reported as expenditures in the governmental funds. 36,564

Other financing sources in the governmental funds, such as inception of capital lease increase long-term liabilities in the statement of net position. (329,156)

Change in Net Position of Governmental Activities \$1,396,323

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$279,685	\$279,685	\$330,313	\$50,628
Municipal Income Taxes	1,525,308	1,525,308	1,801,419	276,111
Charges for Services	83,057	83,057	98,092	15,035
Fines, Licenses and Permits	351,568	351,568	415,209	63,641
Intergovernmental	269,494	269,494	318,278	48,784
Interest	66,857	66,857	78,960	12,103
Other	239,402	239,402	282,739	43,337
<i>Total Revenues</i>	<u>2,815,371</u>	<u>2,815,371</u>	<u>3,325,010</u>	<u>509,639</u>
Expenditures				
Current:				
General Government	1,409,312	1,691,812	1,667,989	23,823
Security of Persons and Property:				
Police	1,298,408	1,478,908	1,454,343	24,565
Fire	380,421	545,421	526,941	18,480
Debt Service:				
Principal Retirement	1,745	1,745	1,745	0
Interest and Fiscal Charges	74	74	74	0
<i>Total Expenditures</i>	<u>3,089,960</u>	<u>3,717,960</u>	<u>3,651,092</u>	<u>66,868</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(274,589)	(902,589)	(326,082)	576,507
Other Financing Sources (Uses)				
Transfers In	85,750	85,750	101,272	15,522
<i>Net Change in Fund Balance</i>	(188,839)	(816,839)	(224,810)	592,029
<i>Fund Balance Beginning of Year</i>	1,241,620	1,241,620	1,241,620	0
Prior Year Encumbrances Appropriated	22,760	22,760	22,760	0
<i>Fund Balance End of Year</i>	<u>\$1,075,541</u>	<u>\$447,541</u>	<u>\$1,039,570</u>	<u>\$592,029</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$134,615	\$134,615	\$150,124	\$15,509
Intergovernmental	405,687	405,687	452,425	46,738
Interest	187	187	209	22
Other	13,106	13,106	14,615	1,509
<i>Total Revenues</i>	<u>553,595</u>	<u>553,595</u>	<u>617,373</u>	<u>63,778</u>
Expenditures				
Current:				
Transportation	559,293	751,293	614,799	136,494
Debt Service:				
Principal Retirement	15,710	15,710	15,710	0
Interest and Fiscal Charges	664	664	664	0
<i>Total Expenditures</i>	<u>575,667</u>	<u>767,667</u>	<u>631,173</u>	<u>136,494</u>
<i>Net Change in Fund Balance</i>	(22,072)	(214,072)	(13,800)	200,272
<i>Fund Balance Beginning of Year</i>	230,883	230,883	230,883	0
Prior Year Encumbrances Appropriated	4,322	4,322	4,322	0
<i>Fund Balance End of Year</i>	<u>\$213,133</u>	<u>\$21,133</u>	<u>\$221,405</u>	<u>\$200,272</u>

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water	Storm Water Management	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$63,753	\$412,395	\$476,148	\$232,948
Accounts Receivable	0	52,649	52,649	0
Prepaid Items	0	824	824	0
<i>Total Current Assets</i>	63,753	465,868	529,621	232,948
<i>Noncurrent Assets:</i>				
Net OPEB Asset	0	943	943	0
Nondepreciable Capital Assets	0	57,211	57,211	0
Depreciable Capital Assets, Net	0	71,787	71,787	0
<i>Total Assets</i>	63,753	595,809	659,562	232,948
Deferred Outflows of Resources				
Pension	0	1,103	1,103	0
OPEB	0	470	470	0
<i>Total Deferred Outflows of Resources</i>	0	1,573	1,573	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	0	7,332	7,332	0
Contracts Payable	0	57,211	57,211	0
Accrued Wages	0	866	866	0
Intergovernmental Payable	0	383	383	0
Accrued Interest Payable	0	238	238	0
Capital Leases Payable	0	27,260	27,260	0
Claims Payable	0	0	0	18,129
<i>Total Current Liabilities</i>	0	93,290	93,290	18,129
<i>Long-Term Liabilities (net of current portion):</i>				
Net Pension Liability	0	8,315	8,315	0
<i>Total Liabilities</i>	0	101,605	101,605	18,129
Deferred Inflows of Resources				
Pension	0	6,156	6,156	0
OPEB	0	4,391	4,391	0
<i>Total Deferred Outflows of Resources</i>	0	10,547	10,547	0
Net Position				
Net Investment in Capital Assets	0	44,527	44,527	0
Unrestricted	63,753	440,703	504,456	214,819
<i>Total Net Position</i>	\$63,753	\$485,230	\$548,983	\$214,819

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water	Storm Water Management	Total	
Operating Revenues				
Charges for Services	\$12,568	\$146,960	\$159,528	\$829,895
Other	2,489	0	2,489	0
<i>Total Operating Revenues</i>	<u>15,057</u>	<u>146,960</u>	<u>162,017</u>	<u>829,895</u>
Operating Expenses				
Personal Services	0	62,443	62,443	0
Materials and Supplies	0	2,050	2,050	0
Contractual Services	2,611	62,710	65,321	278,894
Depreciation	0	17,947	17,947	0
Claims	0	0	0	447,519
Other	0	3	3	0
<i>Total Operating Expenses</i>	<u>2,611</u>	<u>145,153</u>	<u>147,764</u>	<u>726,413</u>
<i>Operating Income (Loss)</i>	12,446	1,807	14,253	103,482
Non-Operating Revenues (Expenses)				
Interest and Fiscal Charges	0	(897)	(897)	0
<i>Income (Loss) before Transfers</i>	12,446	910	13,356	103,482
Transfers Out	(101,272)	0	(101,272)	0
<i>Change in Net Position</i>	(88,826)	910	(87,916)	103,482
<i>Net Position Beginning of Year</i>	<u>152,579</u>	<u>484,320</u>	<u>636,899</u>	<u>111,337</u>
<i>Net Position End of Year</i>	<u>\$63,753</u>	<u>\$485,230</u>	<u>\$548,983</u>	<u>\$214,819</u>

See accompanying notes to the basic financial statements

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

	Enterprise			Internal Service
	Water	Storm Water Management	Total	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$12,568	\$127,942	\$140,510	\$829,895
Other Cash Receipts	2,489	0	2,489	0
Cash Payments to Employees for Services	0	(65,753)	(65,753)	0
Cash Payments for Goods and Services	(2,611)	(64,760)	(67,371)	(285,572)
Cash Payments for Claims	0	0	0	(447,519)
Other Cash Payments	0	(3)	(3)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>12,446</u>	<u>(2,574)</u>	<u>9,872</u>	<u>96,804</u>
Cash Flows from Noncapital Financing Activities				
Financing Activities				
Transfers Out	(101,272)	0	(101,272)	0
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Capital Lease	0	(26,701)	(26,701)	0
Interest Paid on Capital Lease	0	(1,130)	(1,130)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>(27,831)</u>	<u>(27,831)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(88,826)	(30,405)	(119,231)	96,804
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>152,579</u>	<u>442,800</u>	<u>595,379</u>	<u>136,144</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$63,753</u></u>	<u><u>\$412,395</u></u>	<u><u>\$476,148</u></u>	<u><u>\$232,948</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	<u>\$12,446</u>	<u>\$1,807</u>	<u>\$14,253</u>	<u>\$103,482</u>
Adjustments:				
Depreciation	0	17,947	17,947	0
<i>(Increase) Decrease in Assets and Deferred Outflows:</i>				0
Accounts Receivable	0	(19,018)	(19,018)	
Prepaid Items	0	44	44	0
Net OPEB Asset	0	(4,562)	(4,562)	0
Deferred Outflows - Pension	0	1,561	1,561	0
Deferred Outflows - OPEB	0	854	854	0
<i>Increase (Decrease) in Liabilities and Deferred Inflows:</i>				
Accounts Payable	0	7,332	7,332	(6,678)
Accrued Wages	0	386	386	0
Intergovernmental Payable	0	58	58	0
Net Pension Liability	0	(45)	(45)	0
Deferred Inflows - Pension	0	(5,233)	(5,233)	0
Deferred Inflows - OPEB	0	(3,705)	(3,705)	0
<i>Total Adjustments</i>	<u>0</u>	<u>(4,381)</u>	<u>(4,381)</u>	<u>(6,678)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$12,446</u></u>	<u><u>(\$2,574)</u></u>	<u><u>\$9,872</u></u>	<u><u>\$96,804</u></u>

Noncash Capital and Related Financing Activities

At December 31, 2021, the City had contracts payable related to the acquisition of capital assets of \$57,211 in the storm water management fund.

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

Assets	
Equity in Pooled Cash and Cash Equivalents	\$371,031
Cash and Cash Equivalents in Segregated Accounts	<u>22,035</u>
<i>Total Assets</i>	393,066
Liabilities	
Intergovernmental Payable	<u>355,640</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$37,426</u></u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

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Additions	
Fines, Licenses & Permits for Others	\$247,250
Charges for Services for Other Governments	<u>1,554,896</u>
<i>Total Additions</i>	<u>1,802,146</u>
Deductions	
Fines, Licenses & Permits Distributions to Other Governments	244,038
Charges for Services Distributions to Other Governments	1,554,896
Distributions to Individuals	<u>17,792</u>
<i>Total Deductions</i>	<u>1,816,726</u>
<i>Change in Net Position</i>	(14,580)
<i>Net Position Beginning of Year</i>	<u>52,006</u>
<i>Net Position End of Year</i>	<u><u>\$37,426</u></u>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the City and Reporting Entity

The City of Campbell is a charter municipal corporation formed under the laws of the State of Ohio. The City operates under its own Charter made effective November 3, 1970. The Charter, as amended, provides for a Council-Mayor form of government.

The Mayor, elected by the voters for a two-year term, is the head of the municipal government for ceremonial, administrative, and executive purposes and presides at Council meetings. He also appoints all department heads and executes all contracts, conveyances and evidences of indebtedness of the City.

Legislative authority is vested in a five member council with the President of Council being elected at large and four members elected to specific wards and serves a term of two years. Council enacts ordinances and resolutions relating to tax levies, appropriates and borrows money and accepts bids for materials and services and other municipal purposes.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Campbell, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, street maintenance and municipal court. In addition, the City owns and operates a water treatment and distribution system which is reported as an enterprise fund. The operation of each of these activities is directly controlled by City Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City participates in two jointly governed organizations, the Eastgate Regional Council of Governments and the Regional Income Tax Agency, discussed in Note 18 to the basic financial statements.

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

Note 2 – Summary of Significant Accounting Policies

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

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

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

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

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

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

Street Construction, Maintenance and Repair Fund - The street construction, maintenance and repair fund accounts for and reports property taxes and State gasoline tax and motor vehicle registration fees that are restricted for maintenance of streets within the City.

Infrastructure/Equipment Improvement Fund - The infrastructure/equipment improvement capital projects fund accounts for and reports transfers related to the sale of the water plant, restricted for the purchase of and payments for capital improvements.

The other governmental funds of the City account for grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

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

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

Water Fund - The water fund accounts for revenues generated from the charges for distribution of water to the residential and commercial users located within the City. The costs of providing these services are financed primarily through user charges.

Storm Water Management Fund - The storm water management fund accounts for charges for serves for the construction and operation of drainage facilities.

Internal Service Fund Internal service funds account for the financing of services provided by one department of agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund is a health fund that accounts for vision, dental, life, prescription drug and hospital/medical claims of the City employees.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. The City's custodial funds account for amounts collected and distributed on behalf of another government for sewer charges and to account for amounts seized and held payable.

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is

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

recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 15 and 16.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 operations. The amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the government fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, grants and entitlements and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 15 and 16).

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

Pensions/Other Postemployment Benefits (OPEB)

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". The City had no investments during the year or at year end.

Various departments within the City have segregated bank accounts for monies held separate from the City's central bank account. These accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited with the Finance Director.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amount to \$78,960, of which \$71,600 is assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Inventory

Inventories are presented at cost on a first-in, first out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies and fire deposits.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 with the exception of land as land was included regardless of cost. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life or not.

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

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

Description	Governmental and Business-Type Activities Estimated Lives
Land Improvements	15 - 50 years
Buildings	40 years
Machinery and Equipment	5 - 20 years
Vehicles	8 years
Infrastructure	30 - 100 years

The City reports infrastructure consisting of roads, traffic signals and waterlines. Traffic signals and waterlines include assets acquired prior to December 31, 2011. Roads do not include assets acquired prior to December 31, 2011.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balances amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive the compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee’s wage rates at year end, taking into consideration any limits in the City’s termination policy. The City records a liability for accumulated unused sick leave for all employees after ten years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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 or enabling legislation (City Ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. (In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable.) Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the City Council. In the general fund, assigned amounts represent intended uses established by policies of the Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2022's budget.

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

The City 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for recycling, court computerization and unclaimed monies.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, storm water services and the self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

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

Estimates

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

Budgetary Process

All funds, except custodial funds are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the general fund and other governmental funds. These custodial funds are not required to be budgeted and appropriated and therefore are not included in the Accountability and Compliance note (Note 4). The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level by department for all funds. Budgetary modification may only be made by resolution of the City Council at the legal level of control. Authority to further allocate Council appropriations within the object level has been given to the Finance Director.

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

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

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

Note 3 - Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	Infrastructure/ Equipment Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Inventory	\$0	\$18,759	\$0	\$0	\$18,759
Prepays	141,480	14,170	0	14,994	170,644
Unclaimed Monies	19,222	0	0	0	19,222
Stale Checks	4,773	0	0	0	4,773
<i>Total Nonspendable</i>	165,475	32,929	0	14,994	213,398
<i>Restricted for</i>					
Recreation	0	0	0	237,312	237,312
Safety Forces	0	0	0	66,176	66,176
Street Maintenance	0	140,426	0	227,467	367,893
Recycling	0	0	0	30,599	30,599
Enforcement and Education	0	0	0	873,549	873,549
Community Development	0	0	0	276,203	276,203
Capital Improvements	0	0	7,156,888	655	7,157,543
<i>Total Restricted</i>	0	140,426	7,156,888	1,711,961	9,009,275
<i>Committed to</i>					
Capital Improvements	0	0	0	48,855	48,855
Trash Collection	0	0	0	3,515	3,515
<i>Total Committed</i>	0	0	0	52,370	52,370
<i>Assigned to</i>					
2022 Operations	545,066	0	0	0	545,066
Purchases on Order:					
Purchased Services	13,608	0	0	0	13,608
<i>Total Assigned</i>	558,674	0	0	0	558,674
<i>Unassigned (Deficit)</i>	598,011	0	0	(136,928)	461,083
<i>Total Fund Balances</i>	\$1,322,160	\$173,355	\$7,156,888	\$1,642,397	\$10,294,800

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

Note 4 – Accountability and Compliance

Accountability

Fund balances at December 31, 2021, included the following individual fund deficits:

	<u>Deficit Fund Balances</u>
<i>Special Revenue Funds:</i>	
Clean Ohio	\$63,241
US Stimulus	16,901
Industrial Light Grant	55,429
YHMA	533

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

The City had negative cash balances of \$32,005, \$16,901 and \$5,269 in the trash collection, U.S stimulus, and YMHA police patrol special revenue funds, respectively, indicating that revenue from other sources was used to pay obligations of these funds contrary to Ohio Revised Code Section 5705.10.

Contrary to Section 5705.41 (B), Ohio Revised Code, the following funds and departments had expenditures plus encumbrances in excess of appropriations:

Fund	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Police - Operations/Maintenance	\$239,376	\$299,550	(\$60,174)
Fire - Benefits	150,750	165,387	(14,637)
Fire - Operations/Maintenance	122,171	143,523	(21,352)
Municipal Court - Operations/Maintenance	57,540	78,034	(20,494)
Finance - Operations/Maintenance	121,029	155,528	(34,499)
Storm Water Management Fund			
Benefits	4,200	19,391	(15,191)
Other			
Safety Forces Levy - Operations/Maintenance	4,500	118,906	(114,406)
US JAG Grant - Operations/Maintenance	0	20,800	(20,800)

The law enforcement trust, american rescue plan, and YMHA funds had final appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources in the amounts of \$1,469, \$150,000, and \$18,841, respectively, contrary to Ohio Revised Code Section 5705.39.

Although these cash deficits and the budgetary violations were not corrected by year end, management has indicated that appropriations and cash will be closely monitored to prevent future violations.

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

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Certain non-budgeted activity was not included in the appropriated activity of the fund.

The following table summarized the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the major special revenue fund:

	Net Change in Fund Balances	
	General	Street Construction, Maintenance and Repair
GAAP Basis	(\$224,381)	\$87,017
Net Adjustment for Revenue Accruals	70,605	(3,261)
Non-Budgeted Activity	(19,262)	0
Net Adjustment for Expenditures Accruals	(29,572)	(93,233)
Encumbrances	(22,200)	(4,323)
Budget Basis	<u>(\$224,810)</u>	<u>(\$13,800)</u>

Note 6 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of

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

deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
3. Obligations of the City.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2021, \$5,665,576 of the City's total bank balance of \$11,723,187 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions negotiated a reduced collateral floor of 50 percent with the Ohio Pooled Collateral System (OPCS) resulting in the uninsured and uncollateralized balance.

The City has a deposit policy for custodial risk in conjunction with the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

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

Note 7 - Receivables

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for utility service).

All receivables, except property and income taxes, are expected to be received within one year. Property and income taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant and collected within one year.

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

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$12.70 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$67,330,290
Public Utility Personal Property	<u>4,906,850</u>
Total	<u><u>\$72,237,140</u></u>

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 receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2021, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies and collects an income tax of two and half percent on all income earned within the City as well as on income of residents outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2021, the proceeds were allocated ninety percent to the general fund and ten percent to the park special revenue fund.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 2.15 percent.

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Gasoline and Municipal Cents per Gallon	\$198,357
Local Government	115,260
Homestead and Rollback	74,293
Permissive Tax	48,827
Motor Vehicle License Tax	33,199
FBI Reimbursements	7,307
City of Youngstown	4,308
Total Governmental Activities	\$481,551

Note 8 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to twenty-five days of vacation per year, depending upon length of service. Earned unused vacation time is paid upon termination of employment. Employees earn sick leave at a rate of ten hours per month. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid for 75 percent up to a maximum of 90 days of accumulated, unused sick leave.

Note 9 - Contingencies

Litigation

The City is party to legal proceedings. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2021.

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

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2021</u>
Governmental Activities				
<i>Capital Assets not being Depreciated:</i>				
Land	\$777,598	\$0	\$0	\$777,598
<i>Capital Assets being Depreciated:</i>				
Land Improvements	790,151	0	0	790,151
Buildings	1,980,743	0	0	1,980,743
Machinery and Equipment	625,812	0	0	625,812
Vehicles	1,698,706	597,429	0	2,296,135
Infrastructure	1,267,860	149,745	0	1,417,605
Total Capital Assets being Depreciated	<u>6,363,272</u>	<u>747,174</u>	<u>0</u>	<u>7,110,446</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(454,764)	(14,460)	0	(469,224)
Buildings	(1,665,800)	(17,104)	0	(1,682,904)
Machinery and Equipment	(562,571)	(7,787)	0	(570,358)
Vehicles	(1,320,142)	(95,719)	0	(1,415,861)
Infrastructure	(424,106)	(22,042)	0	(446,148)
Total Accumulated Depreciation	<u>(4,427,383)</u>	<u>(157,112) *</u>	<u>0</u>	<u>(4,584,495)</u>
Total Capital Assets being Depreciated, Net	<u>1,935,889</u>	<u>590,062</u>	<u>0</u>	<u>2,525,951</u>
Governmental Activities Capital Assets, Net	<u>\$2,713,487</u>	<u>\$590,062</u>	<u>\$0</u>	<u>\$3,303,549</u>

*Depreciation expense was charged to governmental activities as follows:

General Government	\$39,643
Security of Persons and Property:	
Police	27,592
Fire	18,488
Transportation	70,334
Leisure Time Activities	1,055
Total Depreciation Expense	<u>\$157,112</u>

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

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
Business Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Construction in Progress	\$0	\$57,211	\$0	\$57,211
<i>Capital Assets being Depreciated:</i>				
Vehicles	179,469	0	0	179,469
<i>Less Accumulated Depreciation:</i>				
Vehicles	(89,735)	(17,947)	0	(107,682)
Total Capital Assets being Depreciated, Net	89,734	(17,947)	0	71,787
Business Type Activities Capital Assets, Net	\$89,734	\$39,264	\$0	\$128,998

Note 11 - Risk Management

The City is exposed to various risks of property and casualty losses, and injuries to employees.

Property and Liability

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (YORK), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by YORK. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. (At December 31, 2021, the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

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

Financial Position

PEP’s financial statements conform to generally accepted accounting principles, and preliminarily show the following assets, liabilities and net position at December 31, 2021 and 2020:

<u>Casualty and Property Coverage</u>	<u>2021</u>	<u>2020</u>
Assets	\$59,340,305	\$57,336,499
Liabilities	17,071,953	16,156,805
Net Position - Unrestricted	\$42,268,352	\$41,179,694

At December 31, 2021 and 2020, the liabilities above include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position above include approximately \$13.9 million and \$13.5 million of unpaid claims to be billed to approximately 589 member governments in the future, as of December 31, 2021 and 2020, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes subsequent year’s contributions due if the City terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

This was the eighth year the City was a member of the PEP. The contribution for 2021 was \$82,448.

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s budgetary contribution. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

For 2021, the City also has boiler and machinery insurance coverage in the amount of \$30,437,133 through PEP and crime policy insurance coverage in the amount of \$50,000 per employee theft through Cincinnati Insurance.

Insurance

The City has elected to provide employee hospital/medical, prescription, dental, vision and life insurance benefits through a self-insured program. Medical Mutual of Ohio serves as the third party administrators who review and process medical, prescription claims on a self-funded basis and Guardian, on a fully insured basis handles the dental, vision and life claims which the City then pays after discounts are applied. An excess coverage insurance (stop loss) policy covers claims in excess of \$45,000 per employee and an aggregate of \$660,489 per year. The departments are charged an amount annually equal to the estimated costs for the year.

Incurred but not reported claims of \$18,129 have been accrued as a liability based on a review of January through February 2022 billings provided by the City Finance Department. The claims liability is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected

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

by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in the funds claim liability amount in 2020 and 2021 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2020	\$37,052	\$380,714	\$399,637	\$18,129
2021	18,129	447,519	447,519	18,129

Workers' Compensation

Workers' compensation is provided by the State. The City 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.

Note 12 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2021 consisted of a transfer of \$101,272 from the water enterprise fund to the general fund.

Interfund Balances

Interfund balances at December 31, 2021, consist of the following:

	Interfund Receivable
Interfund Payable	General
Other Governmental Funds:	
Clean Ohio Fund	\$67,771
U.S Stimulus Fund	16,901
Industrial Light Grant Fund	55,513
Trash Collection Fund	32,005
YMHA Fund	5,269
Total	\$177,459

The advances were made to cover qualifying expenditures in the various funds which will be reimbursed when the grant monies are received by the City.

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

Note 13 - Long-Term Obligations

A schedule of changes in long-term obligations of the City during 2021 follows:

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due in One Year
Governmental Activities					
Net Pension Liability					
OPERS	\$1,688,700	\$0	(\$650,102)	\$1,038,598	\$0
OP&F	2,448,224	0	(68,099)	2,380,125	0
Total Net Pension Liability	<u>4,136,924</u>	<u>0</u>	<u>(718,201)</u>	<u>3,418,723</u>	<u>0</u>
Net OPEB Liability					
OPERS	1,111,577	0	(1,111,577)	0	0
OP&F	358,982	10,938	0	369,920	0
Total Net OPEB Liability	<u>1,470,559</u>	<u>10,938</u>	<u>(1,111,577)</u>	<u>369,920</u>	<u>0</u>
<i>Other</i>					
Police and Fire Pension	380,221	0	(19,522)	360,699	20,360
Capital Leases	35,275	329,156	(86,083)	278,348	80,511
Compensated Absences	294,629	75,129	(111,693)	258,065	97,364
<i>Total Other</i>	<u>710,125</u>	<u>404,285</u>	<u>(217,298)</u>	<u>897,112</u>	<u>198,235</u>
<i>Total Governmental Activities</i>	<u><u>6,317,608</u></u>	<u><u>415,223</u></u>	<u><u>(2,047,076)</u></u>	<u><u>4,685,755</u></u>	<u><u>198,235</u></u>
Business-Type Activities					
Net Pension Liability OPERS:					
Storm Water Management	13,519	0	(5,204)	8,315	0
Net OPEB Liability OPERS:					
Storm Water Management	8,899	0	(8,899)	0	0
<i>Other</i>					
Capital Lease	53,961	0	(26,701)	27,260	27,260
<i>Total Business-Type Activities</i>	<u><u>\$76,379</u></u>	<u><u>\$0</u></u>	<u><u>(\$40,804)</u></u>	<u><u>\$35,575</u></u>	<u><u>\$27,260</u></u>

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The police and fire pension liability will be paid from the police and fire pension funds. Compensated absences will be paid from the following funds: the general fund and the street construction and maintenance and repair special revenue fund. Capital leases will be paid from the street construction, maintenance and repair and state highway special revenue funds and the storm water management enterprise fund. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: the general fund, the street construction, maintenance and repair special revenue fund, and the storm water management enterprise fund. See Notes 15 and 16 for additional information related to the net pension/OPEB liabilities.

The City's overall legal debt margin was \$7,584,900 with an unvoted debt margin of \$3,973,043 at December 31, 2021. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2021, are as follows:

Governmental Activities:

	<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$20,360	\$15,116
2023	21,235	14,241
2024	22,147	13,329
2025	23,098	12,378
2026	24,090	11,386
2027-2031	136,892	40,489
2032-2035	112,877	9,697
Total	<u>\$360,699</u>	<u>\$116,636</u>

Note 14 – Capital Leases

The City has entered into lease agreements for a tractor, street sweeper, International HV507 Gledhill truck, and International HV607 Henderson truck. The City's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. The original amount capitalized for the capital lease and the book value as of December 31, 2021 can be found in the table below.

<i>Asset:</i>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vehicles	\$446,478	\$179,469
Less: Accumulated Depreciation	(103,313)	(107,682)
Book Value as of December 31, 2021	<u>\$343,165</u>	<u>\$71,787</u>

City of Campbell, Ohio
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The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2022	\$87,536	\$27,831
2023	69,342	0
2024	69,342	0
2025	69,342	0
Total Minimum Lease Payments	295,562	27,831
Less: Amount Representing Interest	(17,214)	(571)
Present Value of Minimum Lease	<u>\$278,348</u>	<u>\$27,260</u>

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements for the respective funds. These expenditures are reflected as program expenditures on a budgetary basis.

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize

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unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

The City sold its water operations to Aqua Ohio in 2020 at which time Aqua Ohio offered full-time employment to the City's existing water employees. These employees had the option to elect whether or not to continue their OPERS contribution pursuant to ORC 145.02 (A) (2). Aqua Ohio agreed to reimburse the City's contribution percentage for those employees who elected to maintain their OPERS benefit. The City shall continue to administer OPERS benefits until these employees leave Aqua Ohio. This relationship is presented as a special funding situation within the accompanying financial statements.

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

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

City of Campbell, Ohio
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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

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

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the City's contractually required contribution was \$110,325 for the traditional plan and \$901 for the member-directed plan. Of these amounts, \$12,747 is reported as an intergovernmental payable for the traditional plan and \$104 for the member-directed plan. The Special Funding Situation's contractually required contribution was \$33,829. None of this amount is reported as an intergovernmental payable.

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

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated

City of Campbell, Ohio
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using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

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

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

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

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$186,355 for 2021. Of this amount, \$23,666 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2021, the specific liability of the City was \$360,699 payable in semi-annual payments through the year 2035.

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

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

	OPERS		OP&F	Total
	Traditional Plan	Special Funding Situation		
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.00561500%	0.00145500%	0.03491410%	
Prior Measurement Date	<u>0.00683966%</u>	<u>0.00177234%</u>	<u>0.03634250%</u>	
Change in Proportionate Share	<u>-0.00122466%</u>	<u>-0.00031734%</u>	<u>-0.00142840%</u>	
Proportionate Share of the:				
Net Pension Liability	\$831,459	\$215,454	\$2,380,125	\$3,427,038
Pension Expense	(261,372)	125,028	33,432	(102,912)

2021 pension expense for the member-directed defined contribution plan was \$901. The aggregate pension expense for all pension plans was (\$102,011) for 2021.

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

	OPERS			Total
	Traditional Plan	Special Funding Situation	OP&F	
Deferred Outflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$99,497	\$99,497
Changes of assumptions	0	0	39,915	39,915
Changes in proportion and differences between City contributions and proportionate share of contributions	0	83,389	2,712	86,101
City contributions subsequent to the measurement date	110,325	33,829	186,355	330,509
Total Deferred Outflows of Resources	\$110,325	\$117,218	\$328,479	\$556,022
Deferred Inflows of Resources				
Differences between expected and actual experience	\$34,780	\$9,012	\$92,722	\$136,514
Net difference between projected and actual earnings on pension plan investments	324,079	83,978	115,452	523,509
Changes in proportion and differences between City contributions and proportionate share of contributions	256,816	43,697	435,231	735,744
Total Deferred Inflows of Resources	\$615,675	\$136,687	\$643,405	\$1,395,767

\$330,509 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS			Total
	Traditional Plan	Special Funding Situation	OP&F	
Year Ending December 31:				
2022	(\$336,848)	\$18,954	(\$172,487)	(\$490,381)
2023	(102,522)	(26,567)	(74,545)	(203,634)
2024	(132,105)	(34,232)	(194,970)	(361,307)
2025	(44,200)	(11,453)	(54,372)	(110,025)
2026	0	0	(4,907)	(4,907)
Thereafter	0	0	0	0
Total	(\$615,675)	(\$53,298)	(\$501,281)	(\$1,170,254)

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Actuarial Assumptions - OPERS

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

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

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

City of Campbell, Ohio
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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$1,586,013	\$831,459	\$204,049
Special Funding Situation	410,979	215,454	52,875

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

Actuarial Assumptions – OP&F

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

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

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

Note: Assumptions are geometric.

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

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Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$3,313,440	\$2,380,125	\$1,599,036

Note 16 - Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in

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this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

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

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

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

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided.

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Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$360 for 2021. Of this amount, \$42 is reported as an intergovernmental payable.

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

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

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

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

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

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

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

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

City of Campbell, Ohio
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covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

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

The City's contractually required contribution to OP&F was \$4,635 for 2021. Of this amount, \$588 is reported as an intergovernmental payable.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	OPERS			Total
	Traditional Plan	Special Funding Situation	OP&F	
Proportion of the Net OPEB Asset/Liability:				
Current Measurement Date	0.00529900%	0.00135500%	0.03491410%	
Prior Measurement Date	0.00644256%	0.00166944%	0.03634250%	
Change in Proportionate Share	-0.00114356%	-0.00031444%	-0.00142840%	
Proportionate Share of the:				
Net OPEB Liability	\$0	\$0	\$369,920	\$369,920
Net OPEB Asset	(94,406)	(24,140)	0	(118,546)
OPEB Expense	(715,007)	(87,818)	6,194	(796,631)

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

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	OPERS			
	Traditional Plan	Special Funding Situation	OP&F	Total
Deferred Outflows of Resources				
Changes of assumptions	\$46,411	\$11,868	\$204,361	\$262,640
Changes in proportion and differences between City contributions and proportionate share of contributions	0	51,514	0	51,514
City contributions subsequent to the measurement date	360	0	4,635	4,995
Total Deferred Outflows of Resources	<u>\$46,771</u>	<u>\$63,382</u>	<u>\$208,996</u>	<u>\$319,149</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$85,200	\$21,787	\$61,017	\$168,004
Changes of assumptions	152,966	39,115	58,972	251,053
Net difference between projected and actual earnings on OPEB plan investments	50,282	12,857	13,747	76,886
Changes in proportion and differences between City contributions and proportionate share of contributions	150,698	26,517	118,934	296,149
Total Deferred Inflows of Resources	<u>\$439,146</u>	<u>\$100,276</u>	<u>\$252,670</u>	<u>\$792,092</u>

\$4,995 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS			
	Traditional Plan	Special Funding Situation	OP&F	Total
Year Ending December 31:				
2022	(\$239,631)	\$2,977	(\$13,311)	(\$249,965)
2023	(125,329)	(32,768)	(10,056)	(168,153)
2024	(21,851)	(5,587)	(15,188)	(42,626)
2025	(5,924)	(1,516)	(10,208)	(17,648)
2026	0	0	(247)	(247)
Thereafter	0	0	701	701
Total	<u>(\$392,735)</u>	<u>(\$36,894)</u>	<u>(\$48,309)</u>	<u>(\$477,938)</u>

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Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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

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

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

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	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$23,475)	(\$94,406)	(\$152,717)
Special Funding Situation's proportionate share of the net OPEB asset	(\$6,003)	(\$24,140)	(\$39,051)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	(\$96,707)	(\$94,406)	(\$91,832)
Special Funding Situation's proportionate share of the net OPEB asset	(\$24,729)	(\$24,140)	(\$23,482)

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

Actuarial Assumptions – OP&F

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to

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that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

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

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

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$461,270	\$369,920	\$294,568

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 17 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At the year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds		Proprietary Funds
General Fund	\$22,200	Storm Water Management
Street Construction, Maintenance and Repair	4,323	<u>\$4,600</u>
Infrastructure/Equipment Improvement	23,175	
Other Governmental Funds	<u>50,176</u>	
Total Governmental Funds	<u>\$99,874</u>	

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Note 18 – Jointly Governed Organizations

Eastgate Regional Council of Governments

The Eastgate Regional Council of Governments (ERCG) is a jointly governed organization that is committed to fostering cooperative regional efforts in the planning, programming and implementation of public sector activities. ERCG has thirty-six participating members. These include representatives from Ashtabula County, Mahoning County and Trumbull County, township trustees and officials from participating cities and villages. The operation of ERCG is controlled by a general policy board which consists of a representative from each participant. Funding comes from each of the participants. For 2021, the City contributed \$6,990 to the Eastgate Regional Council of Governments. For more information contact John R. Getchey, executive director, at 5121 Mahoning Avenue, Youngstown, Ohio 44515.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the City paid RITA \$42,875 for income tax collection services.

Note 19 – Change in Accounting Principle

The City is implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 20 – 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 continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

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Required Supplementary Information

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

	2021	2020	2019	2018
<u>City Contributions:</u>				
City's Proportion of the Net Pension Liability	0.00561500%	0.00683966%	0.00871400%	0.00880800%
City's Proportionate Share of the Net Pension Liability	\$831,459	\$1,351,903	\$2,386,588	\$1,381,805
City's Covered Payroll	\$785,543	\$1,210,886	\$1,086,864	\$1,164,038
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.85%	111.65%	219.58%	118.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

Special Funding Situation:

Special Funding Situation's Proportion of the Net Pension Liability	0.00145500%	0.00177234%		
Special Funding Situation's Proportionate Share of the Net Pension Liability	\$215,454	\$350,316		

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.00917700%	0.00897300%	0.00894800%	0.00894800%
\$2,083,942	\$1,554,235	\$1,079,229	\$1,054,853
\$1,186,417	\$1,116,807	\$1,096,975	\$1,015,953
175.65%	139.17%	98.38%	103.83%
77.25%	81.08%	86.45%	86.36%

City of Campbell, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB (Asset) Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Five Years (1)

	2021	2020	2019
<u>City Contributions:</u>			
City's Proportion of the Net OPEB (Asset) Liability	0.00529900%	0.00644256%	0.00819700%
City's Proportionate Share of the Net OPEB (Asset) Liability	(\$94,406)	\$889,883	\$1,068,695
City's Covered Payroll	\$796,168	\$1,224,811	\$1,095,564
City's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-11.86%	72.65%	97.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%

Special Funding Situation:

Special Funding Situation's Proportion of the Net OPEB (Asset) Liability	0.00135500%	0.00166944%
Special Funding Situation's Proportionate Share of the Net OPEB (Asset) Liability	(\$24,140)	\$230,593

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017
0.00831000%	0.00868000%
\$902,406	\$876,709
\$1,176,788	\$1,200,417
76.68%	73.03%
54.14%	54.04%

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

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.03491410%	0.03634250%	0.04167700%	0.04198900%
City's Proportionate Share of the Net Pension Liability	\$2,380,125	\$2,448,224	\$3,401,946	\$2,577,053
City's Covered Payroll	\$899,300	\$907,426	\$1,087,581	\$867,749
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	264.66%	269.80%	312.80%	296.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.04509300%	0.05122800%	0.04944420%	0.04944420%
\$2,856,145	\$3,295,533	\$2,561,416	\$2,408,088
\$1,038,992	\$1,103,029	\$1,039,018	\$939,933
274.90%	298.77%	246.52%	256.20%
68.36%	66.77%	71.71%	73.00%

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

	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.03491410%	0.03634250%	0.04167700%
City's Proportionate Share of the Net OPEB Liability	\$369,920	\$358,982	\$379,533
City's Covered Payroll	\$899,300	\$907,426	\$1,087,581
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.13%	39.56%	34.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.50%	47.08%	46.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017
0.04198900%	0.04509300%
\$2,379,038	\$2,140,463
\$867,749	\$1,038,992
274.16%	206.01%
14.13%	15.96%

City of Campbell, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Nine Years (1)

	2021	2020	2019	2018
<u>City Contributions:</u>				
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$110,325	\$109,976	\$169,524	\$152,161
Contributions in Relation to the Contractually Required Contribution	<u>(110,325)</u>	<u>(109,976)</u>	<u>(169,524)</u>	<u>(152,161)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$788,036	\$785,543	\$1,210,886	\$1,086,864
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$360	\$425	\$557	\$348
Contributions in Relation to the Contractually Required Contribution	<u>(360)</u>	<u>(425)</u>	<u>(557)</u>	<u>(348)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$797,036	\$796,168	\$1,224,811	\$1,095,564
OPEB Contributions as a Percentage of Covered Payroll	<u>0.05%</u>	<u>0.05%</u>	<u>0.05%</u>	<u>0.03%</u>
<u>Special Funding Situation:</u>				
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$33,829	\$28,686		
Contributions in Relation to the Contractually Required Contribution	<u>(33,829)</u>	<u>(28,686)</u>		
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>		
Special Funding Situation Covered Payroll	\$241,636	\$204,900		
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>		
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$0	\$0		
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>		
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>		
Special Funding Situation Covered Payroll (3)	\$241,636	\$204,900		
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>		

- (1) Information prior to 2013 is not available for traditional and combined plans.
(2) Information prior to 2016 is not available for the OPEB plan.
(3) The OPEB plan includes the members from the traditional plan and the member directed plan.
The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013
\$151,325	\$142,370	\$134,017	\$131,637	\$132,074
<u>(151,325)</u>	<u>(142,370)</u>	<u>(134,017)</u>	<u>(131,637)</u>	<u>(132,074)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,164,038	\$1,186,417	\$1,116,807	\$1,096,975	\$1,015,953
<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$12,150	\$24,288			
<u>(12,150)</u>	<u>(24,288)</u>			
<u>\$0</u>	<u>\$0</u>			
\$1,176,788	\$1,200,417			
<u>1.03%</u>	<u>2.02%</u>			

City of Campbell, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2021	2020	2019	2018	2017
Net Pension Liability					
Contractually Required Contribution	\$186,355	\$180,459	\$182,661	\$218,667	\$174,428
Contributions in Relation to the Contractually Required Contribution	<u>(186,355)</u>	<u>(180,459)</u>	<u>(182,661)</u>	<u>(218,667)</u>	<u>(174,428)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$927,017	\$899,300	\$907,426	\$1,087,581	\$867,749
Pension Contributions as a Percentage of Covered Payroll	<u>20.10%</u>	<u>20.07%</u>	<u>20.13%</u>	<u>20.11%</u>	<u>20.10%</u>
Net OPEB Liability					
Contractually Required Contribution	\$4,635	\$4,497	\$4,537	\$5,438	\$4,339
Contributions in Relation to the Contractually Required Contribution	<u>(4,635)</u>	<u>(4,497)</u>	<u>(4,537)</u>	<u>(5,438)</u>	<u>(4,339)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>20.60%</u>	<u>20.57%</u>	<u>20.63%</u>	<u>20.61%</u>	<u>20.60%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012
\$207,576	\$219,051	\$206,921	\$159,354	\$131,431
<u>(207,576)</u>	<u>(219,051)</u>	<u>(206,921)</u>	<u>(159,354)</u>	<u>(131,431)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,038,992	\$1,103,029	\$1,039,018	\$939,933	\$937,643
<u>19.98%</u>	<u>19.86%</u>	<u>19.92%</u>	<u>16.95%</u>	<u>14.02%</u>
\$5,195	\$5,515	\$5,195	\$33,994	\$63,291
<u>(5,195)</u>	<u>(5,515)</u>	<u>(5,195)</u>	<u>(33,994)</u>	<u>(63,291)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>
<u>20.48%</u>	<u>20.36%</u>	<u>20.42%</u>	<u>20.57%</u>	<u>20.77%</u>

City of Campbell, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension– Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	<u>2019</u>	<u>2018 and 2017</u>	<u>2016 and prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Campbell, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

City of Campbell, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council
City of Campbell
Campbell, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Campbell, Mahoning County, Ohio, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 22, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a material weakness as item **2021-002**.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items **2021-001 and 2021-003**.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

August 22, 2022

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding No. 2021-001 - Material Non-Compliance - Expenditures Exceeding Appropriations

Statement of Condition/Criteria

Ohio Revised Code Section 5705.41(B) prohibits a City from expending money unless it has been appropriated.

Cause/Effect

During our review of budgetary procedures, we noted that the following funds had expenditures plus encumbrances that exceeded appropriations plus prior year encumbrances, which is contrary to Ohio Revised Code Section 5705.41(B).

Fund	Appropriations	Expenditures Plus Encumbrances	Variance
General Fund			
Police - Operations/Maintenance	\$ 239,376	\$ 299,550	\$ (60,174)
Fire - Benefits	150,750	165,387	(14,637)
Fire - Operations/Maintenance	122,171	143,523	(21,352)
Municipal Court - Operations/Maintenance	57,540	78,034	(20,494)
Finance - Operations/Maintenance	121,029	155,528	(34,499)
Storm Water Management Fund			
Benefits	4,200	19,391	(15,191)
Other			
Safety Forces Levy - Operations/Maintenance	4,500	118,906	(114,406)
US JAG Grant - Operations/Maintenance	0	20,800	(20,800)

In addition to those violations outlined above, we noted several other immaterial violations.

Recommendation

We recommend that the City exercise due care to ensure expenditures plus encumbrances do not exceed appropriations plus prior year encumbrances. This will assist the City in avoiding negative fund balances and also ensure the City is in compliance with Ohio Revised Code Section 5705.41(B).

City's Response

The City will implement the recommendation.

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)**

Finding No. 2021-002 - Material Weakness - Posting Activity to the System

Statement of Condition/Criteria

During our review of receipts and disbursements, we identified the following control deficiencies which could result in material misstatements:

1. Receipts and disbursements are posted to the system one to two months after the transaction occurs.
2. There are inconsistencies between the date of the receipt versus the date posted in the financial system.

Cause/Effect

Lack of controls over recording transactions in the system on a timely basis can result in errors and irregularities that may go undetected and decrease the reliability of financial data at year end.

Recommendation

We recommend that the City record transactions in its system on a timely basis and implement controls to ensure the transactions are recorded accurately and timely. We also recommend that the City receive training on its financial system to help improve accuracy, efficiency, and timeliness.

City's Response

The City will implement the recommendations.

**CITY OF CAMPBELL
 MAHONING COUNTY, OHIO
 SCHEDULE OF FINDINGS AND RESPONSES
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (CONTINUED)**

Finding Number 2021-003 - Material Noncompliance - Appropriations Exceeding Estimated Resources

Statement of Condition/Criteria

Ohio Revised Code Section 5705.39 prohibits appropriations from each fund exceeding the total of the estimated resources available. During our compliance testing, we noted that one fund had appropriations exceeding the final estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus encumbranced fund balances).

In addition, based on our review of Certificates of Estimated Resources, we noted that the City is not monitoring by fund the Certificate of Estimated Resources to appropriations.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<u>American Rescue Plan Fund</u>			
Final Budget	\$ 0	\$ 150,000	\$ (150,000)
<u>YMHA Fund</u>			
Final Budget	53,159	72,000	(18,841)
<u>Cause/Effect</u>			

In addition to the violations above, we noted a few other immaterial violations.

Cause/Effect

Contrary to Ohio Revised Code Section 5705.39, the City had appropriations exceeding estimated resources available. However, the final expenditures did not exceed the final appropriations in the fund.

Recommendation

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39 by amending the appropriations to a level that does not exceed the amended certificate. We also recommend the City monitor its Certificate of Estimated Resources and Appropriations by fund which will assist in compliance with Ohio Revised Code Section 5705.39.

City's Response

The City will implement the recommendation.

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The prior issued audit report, as of December 31, 2020, included material non-compliance and material weaknesses.

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2020-001	Expenditures Exceeding Appropriations	Not corrected.	Reissued as Finding No. 2021-001
2020-002	Posting Activity to the System	Not corrected.	Reissued as Finding No. 2021-002
2020-003	Appropriations Exceeding Estimated Resources	Not corrected	Reissued as Finding No. 2021-003
2020-004	Council Approval	Corrective Action Taken and Finding Fully Corrected	None
2020-005	Bank Reconciliation	Corrective Action Taken and Finding Fully Corrected	None
2020-006	Financial Reporting	Corrective Action Taken and Finding Fully Corrected	None

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF CAMPBELL

MAHONING 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 10/6/2022

88 East Broad 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