

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

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



Dave Yost • Auditor of State

City Council
City of Campbell
351 Tenney Avenue
Campbell, Ohio 44405

We have reviewed the *Independent Auditor's Report* of the City of Campbell, Mahoning County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2014 to December 31, 2014. 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 "Dave Yost".

Dave Yost
Auditor of State

October 28, 2015

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**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Campbell, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Campbell, Ohio, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparisons for the General Fund, Street Construction Maintenance and Repair Fund, and the Clean Ohio Fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 19 of the financial statements, the City restated its December 31, 2013 governmental fund balance and net position of governmental and business-type activities due to understatement of accounts and intergovernmental receivable. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 4, 2015, on our consideration of the City of Campbell, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Campbell, Ohio's internal control over financial reporting and compliance.

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

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G.
Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.08.20 17:13:35 -04'00'

August 4, 2015

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City of Campbell
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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, 2014. 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 2014 are as follows:

- The City of Campbell utilized the services of the Regional Income Tax Agency (R.I.T.A.) during 2014. R.I.T.A. has administered and collected the City's income taxes since January 1, 2005. As a result, income tax collections for the City's general fund are remaining consistent with the prior year; due in part to accelerated collections of delinquencies, collecting from prior non-filers, and enforcing payment of quarterly estimated taxes by individuals.
- Total governmental capital assets decreased due to an additional year of depreciation expense which was slightly offset by the purchase of a new truck and the installation of a new telephone system. The business-type activities capital assets decreased due to an additional year of depreciation expense which was offset by the purchase of a backhoe/loader for the water department.
- Major Grants: The major grants received by the City are Clean Ohio Revitalization Fund, CDBG, CHIP and Small Cities Formula Allocation Grants.

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 2014?" 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.

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

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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 and clean Ohio special revenue funds and infrastructure and equipment 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.

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.

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

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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 agency 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 2014 as they compare to 2013.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$6,044,694	\$5,553,790	\$1,140,672	\$1,298,711	7,185,366	\$6,852,501
Capital Assets, Net	2,768,825	2,920,537	4,995,483	5,059,901	7,764,308	7,980,438
<i>Total Assets</i>	<u>8,813,519</u>	<u>8,474,327</u>	<u>6,136,155</u>	<u>6,358,612</u>	<u>14,949,674</u>	<u>14,832,939</u>
Liabilities						
Current Liabilities	1,221,095	1,087,430	101,618	109,806	1,322,713	1,197,236
Long-term Liabilities						
Due within one Year	116,337	83,851	148,729	163,480	265,066	247,331
Due in More than one Year	714,595	673,543	1,492,934	1,658,048	2,207,529	2,331,591
<i>Total Liabilities</i>	<u>2,052,027</u>	<u>1,844,824</u>	<u>1,743,281</u>	<u>1,931,334</u>	<u>3,795,308</u>	<u>3,776,158</u>
Deferred Inflows of Resources	<u>656,933</u>	<u>656,213</u>	<u>0</u>	<u>0</u>	<u>656,933</u>	<u>656,213</u>
Net Position						
Net Investment in Capital Assets	2,760,312	2,920,537	3,404,096	3,285,916	6,164,408	6,206,453
Restricted for:						
Capital Projects	166,676	112,694	0	0	166,676	112,694
Safety Forces	153,521	144,438	0	0	153,521	144,438
Streets	206,936	500,831	0	0	206,936	500,831
Parks	569,385	194,572	0	0	569,385	194,572
Other Purposes	643,358	576,142	0	0	643,358	576,142
Unrestricted	1,604,371	1,524,076	988,778	1,141,362	2,593,149	2,665,438
<i>Total Net Position</i>	<u>\$6,104,559</u>	<u>\$5,973,290</u>	<u>\$4,392,874</u>	<u>\$4,427,278</u>	<u>\$10,497,433</u>	<u>\$10,400,568</u>

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 improved over the prior year as evidenced by the increase in net position for governmental activities. The net position for business-type activities slightly decreased from 2013. The increase in governmental net position can be attributed to the increase in current and other assets. The increase in current and other assets is due to an increase in accounts and intergovernmental receivables. Also contributing to the increase in net position is a decrease in unearned revenue as the City recognizes a year of revenue related to the oil and gas lease. The oil and gas lease payment will be earned over the 5 years of the lease agreement. Accounts payable decreased compared to the prior year due to the City carrying over less outstanding invoices related to the demolition and remediation activities at the Sherman International property. The decrease in business-type net position can be attributed to the decrease in current assets which was offset by the decrease in liabilities. Current assets decreased due to a greater internal balance due to governmental funds. Liabilities decreased due to another year of debt payments made by the City. 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.

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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 2014 and 2013.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Program Revenues						
Charges for Services and Assessments	\$890,326	\$685,181	\$1,631,942	\$1,755,353	\$2,522,268	\$2,440,534
Operating Grants and Contributions	1,426,247	1,501,516	5,060	39,000	1,431,307	1,540,516
Capital Grants	434,788	211,644	0	0	434,788	211,644
<i>Total Program Revenues</i>	<u>2,751,361</u>	<u>2,398,341</u>	<u>1,637,002</u>	<u>1,794,353</u>	<u>4,388,363</u>	<u>4,192,694</u>
General Revenues						
Property Taxes	646,728	732,180	0	0	646,728	732,180
Municipal Income Tax	1,793,170	1,870,951	0	0	1,793,170	1,870,951
Grants and Entitlements not Restricted to Specific Programs	413,553	276,620	0	0	413,553	276,620
Interest	2,671	3,108	0	3	2,671	3,111
Other	353,029	275,228	0	1,456	353,029	276,684
<i>Total General Revenues</i>	<u>3,209,151</u>	<u>3,158,087</u>	<u>0</u>	<u>1,459</u>	<u>3,209,151</u>	<u>3,159,546</u>
<i>Total Revenues</i>	<u>5,960,512</u>	<u>5,556,428</u>	<u>1,637,002</u>	<u>1,795,812</u>	<u>7,597,514</u>	<u>7,352,240</u>
Program Expenses						
General Government	1,442,603	1,263,462	0	0	1,442,603	1,263,462
Security of Persons and Property:						
Police	1,803,047	1,554,791	0	0	1,803,047	1,554,791
Fire	550,069	581,415	0	0	550,069	581,415
Transportation	975,517	695,362	0	0	975,517	695,362
Community Environment	833,786	1,303,842	0	0	833,786	1,303,842
Leisure Time Activities	199,699	250,240	0	0	199,699	250,240
Interest and Fiscal Charges	21,399	21,481	0	0	21,399	21,481
Water	0	0	1,621,602	1,622,010	1,621,602	1,622,010
Storm Water Management	0	0	52,927	191,589	52,927	191,589
<i>Total Program Expenses</i>	<u>5,826,120</u>	<u>5,670,593</u>	<u>1,674,529</u>	<u>1,813,599</u>	<u>7,500,649</u>	<u>7,484,192</u>
Transfers	(3,123)	(7,590)	3,123	7,590	0	0
<i>Change in Net Position</i>	<u>131,269</u>	<u>(121,755)</u>	<u>(34,404)</u>	<u>(10,197)</u>	<u>96,865</u>	<u>(131,952)</u>
Net Position Beginning of Year	5,973,290	6,095,045	4,427,278	4,437,475	10,400,568	10,532,520
Net Position End of the Year	<u>\$6,104,559</u>	<u>\$5,973,290</u>	<u>\$4,392,874</u>	<u>\$4,427,278</u>	<u>\$10,497,433</u>	<u>\$10,400,568</u>

Governmental Activities

Funding for governmental activities is derived from several sources, the largest of which is the City's municipal income tax. For 2014, annual income tax receipts were more than half of all general revenues at

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56 percent. 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 has slowly been reduced for the past several years and is anticipated to be stagnant in the future. This is a direct result of the planned State budget reduction. Investment earnings and miscellaneous receipts are insignificant and are somewhat unpredictable revenue sources. Other revenue included the third year of recognition of a portion of the oil and gas lease payment the City recorded as a receivable in the prior year. The oil and gas lease covers a five year period so the City will recognize a portion of the payment over the five years as it is earned.

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, fine money allocated to and restricted for use by the municipal court and grant money restricted by the State and Federal granting agencies.

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.

Security of persons and property are the costs of police and fire protection; transportation is the cost of maintaining the roads; community development 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; 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 operates two business-type activities, the water treatment and storm water management. These two activities received charges for services of \$1,492,846 from water and \$139,096 from storm water management. The largest sources of revenue for both water and storm water in 2014 were charges for services. Water and storm water management expenses for 2014 amounted to \$1,621,602 and \$52,927, respectively. Payroll and employees benefits are the largest expense for the water 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 2014, the City of Campbell's governmental funds reported a positive combined ending fund balance. The City's major governmental funds are the general fund, street construction, maintenance and repair and Clean Ohio special revenue funds and the infrastructure and equipment capital projects fund.

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Revenues were over expenditures for the year in the general fund due to an increase in fines, licenses and permits and intergovernmental revenues. The assessed values upon which 2014 property tax receipts are based on stayed relatively consistent when compared to the prior year. The street construction, maintenance and repair special revenue fund had an increase in fund balance due to a decrease in street maintenance spending. The Clean Ohio special revenue fund had an increase in fund balance due to intergovernmental revenue increasing. This fund was established during 2013 to track a grant award from the Ohio Department Services Agency Office of Redevelopment. The City was awarded \$1.8 million in Clean Ohio Revitalization Fund assistance to conduct demolition and remediation activities at the Sherman International property. The project continued during 2014. The infrastructure and equipment capital projects fund had a decrease in fund balance during the year due to an increase in capital outlay expenditures when compared to the prior year. During the current year, the City purchased a new truck and installed a new telephone system.

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 \$1,631,942 and total operating expenses of \$1,601,454. If expenses were to exceed revenue and dramatically affect net position, the City has the power to increase revenue through water rate increases.

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 2014, actual revenues for the general fund were more than final estimated revenues due to income tax collections coming in higher than expected which was offset by charges for services and property tax collections coming in under the estimate for the year. City Council's actual expenditures were less than final appropriations in total but police costs were higher due to unexpected costs occurring near year end.

The original revenue and expenditure budget is designed to be very conservative requiring additional spending requests to be approved by Council throughout the year. During the course of 2014, the City amended its general fund budget numerous times, in response to conservative revenue projections being surpassed.

Capital Assets and Debt Administration

Capital Assets

Total capital assets for the governmental activities, net of accumulated depreciation decreased. This decrease is due to an additional year of accumulated depreciation being taken, which was slightly offset by the purchase of a new truck for the court department and the installation of a new telephone system.

Total capital assets for the business-type activities, net of accumulated depreciation slightly decreased due to an additional year of accumulated depreciation being taken. This decrease was partially offset by the purchase of a backhoe/loader Caterpillar for the water department. See Note 10 to the basic financial statements for additional information on capital assets.

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(Table 3)
Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$755,800	\$755,800	\$34,280	\$34,280	\$790,080	\$790,080
Land Improvements	342,295	356,598	2,567	3,387	344,862	359,985
Buildings	229,281	243,206	910,089	957,340	1,139,370	1,200,546
Machinery and Equipment	101,214	106,490	266,726	177,799	367,940	284,289
Vehicles	838,660	946,196	7,821	11,095	846,481	957,291
Infrastructure	501,575	512,247	3,774,000	3,876,000	4,275,575	4,388,247
Total Capital Assets	\$2,768,825	\$2,920,537	\$4,995,483	\$5,059,901	\$7,764,308	\$7,980,438

Long-term Obligations

The long-term obligations include police and fire pension payments, OPWC and OWDA loans, capital leases and compensated absences.

(Table 4)
Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
OPWC Loans	\$0	\$0	\$323,865	\$392,180	\$323,865	\$392,180
OWDA Loans	0	0	1,267,522	1,381,805	1,267,522	1,381,805
Police and Fire Pension Loan	481,581	496,124	0	0	481,581	496,124
Jail Services Liability	58,847	0	0	0	58,847	0
Capital Leases	8,513	0	0	0	8,513	0
Compensated Absences	281,991	261,270	50,276	47,543	332,267	308,813
Total	\$830,932	\$757,394	\$1,641,663	\$1,821,528	\$2,472,595	\$2,578,922

For the business-type funds, the debt was issued for the water system improvements and a water storage tank replacement.

Police and Fire Pension accrued liability payments are funded by two separate allocations of .3 mills inside millage, which generates approximately \$42,000 annually.

The Jail Services liability is the amount owed to Mahoning County for housing some of the City's prisoners.

During 2014, the City entered into a capital lease agreement for a new telephone system.

The City of Campbell's overall legal debt margin was \$6,941,915 on December 31, 2014. For more information about the City's long-term obligations, see Note 13 to the basic financial statements.

Current Financial Issues

The City voters passed a renewal of a five year 3.5 mill current expense tax levy on November 2, 2013. This levy generates additional revenue to help the City with its current financial responsibilities.

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Unaudited

The City is encouraging development of the land located in former steel mill property once the property has been environmentally cleared. A grant has been 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 Dr. Michael Evanson, Director of Finance, 351 Tenney Avenue, Campbell, Ohio 44405, telephone 330-755-9863.

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City of Campbell, Ohio

Statement of Net Position

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,640,777	\$1,248,144	\$3,888,921
Accounts Receivable	43,461	125,154	168,615
Internal Balances	232,626	(232,626)	0
Intergovernmental Receivable	873,364	0	873,364
Property Taxes Receivable	978,009	0	978,009
Income Taxes Receivable	1,263,236	0	1,263,236
Materials and Supplies Inventory	13,221	0	13,221
Nondepreciable Capital Assets	755,800	34,280	790,080
Depreciable Capital Assets, Net	2,013,025	4,961,203	6,974,228
<i>Total Assets</i>	<u>8,813,519</u>	<u>6,136,155</u>	<u>14,949,674</u>
Liabilities			
Accounts Payable	218,795	22,215	241,010
Accrued Wages	84,940	24,466	109,406
Intergovernmental Payable	491,303	19,827	511,130
Accrued Interest Payable	1,706	35,110	36,816
Unearned Revenue	424,351	0	424,351
Long-Term Liabilities:			
Due Within One Year	116,337	148,729	265,066
Due In More Than One Year	714,595	1,492,934	2,207,529
<i>Total Liabilities</i>	<u>2,052,027</u>	<u>1,743,281</u>	<u>3,795,308</u>
Deferred Inflows of Resources			
Property Taxes	656,933	0	656,933
Net Position			
Net Investment in Capital Assets	2,760,312	3,404,096	6,164,408
Restricted for:			
Capital Projects	166,676	0	166,676
Safety Forces	153,521	0	153,521
Streets	206,936	0	206,936
Parks	569,385	0	569,385
Other Purposes	643,358	0	643,358
Unrestricted	1,604,371	988,778	2,593,149
<i>Total Net Position</i>	<u>\$6,104,559</u>	<u>\$4,392,874</u>	<u>\$10,497,433</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,442,603	\$388,866	\$0	\$0
Security of Persons and Property:				
Police	1,803,047	408,861	126,338	0
Fire	550,069	83,139	13,009	0
Transportation	975,517	0	440,504	434,788
Community Environment	833,786	0	836,262	0
Leisure Time Activities	199,699	9,460	10,134	0
Interest and Fiscal Charges	21,399	0	0	0
<i>Total Governmental Activities</i>	<u>5,826,120</u>	<u>890,326</u>	<u>1,426,247</u>	<u>434,788</u>
Business-Type Activities:				
Water	1,621,602	1,492,846	5,060	0
Storm Water Management	52,927	139,096	0	0
<i>Total Business-Type Activities</i>	<u>1,674,529</u>	<u>1,631,942</u>	<u>5,060</u>	<u>0</u>
<i>Total</i>	<u><u>\$7,500,649</u></u>	<u><u>\$2,522,268</u></u>	<u><u>\$1,431,307</u></u>	<u><u>\$434,788</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 - Restated (See Note 19)

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
(\$1,053,737)	\$0	(\$1,053,737)
(1,267,848)	0	(1,267,848)
(453,921)	0	(453,921)
(100,225)	0	(100,225)
2,476	0	2,476
(180,105)	0	(180,105)
(21,399)	0	(21,399)
(3,074,759)	0	(3,074,759)
0	(123,696)	(123,696)
0	86,169	86,169
0	(37,527)	(37,527)
(3,074,759)	(37,527)	(3,112,286)
299,000	0	299,000
157,364	0	157,364
142,620	0	142,620
47,744	0	47,744
1,613,852	0	1,613,852
179,318	0	179,318
413,553	0	413,553
2,671	0	2,671
353,029	0	353,029
3,209,151	0	3,209,151
(3,123)	3,123	0
3,206,028	3,123	3,209,151
131,269	(34,404)	96,865
5,973,290	4,427,278	10,400,568
<u>\$6,104,559</u>	<u>\$4,392,874</u>	<u>\$10,497,433</u>

City of Campbell, Ohio

Balance Sheet

Governmental Funds

December 31, 2014

	General	Street Construction, Maintenance and Repair	Clean Ohio	Infrastructure and Equipment	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$913,033	\$138,202	\$20,646	\$584,801	\$966,650	\$2,623,332
Receivables:						
Property Taxes	469,703	231,119	0	0	277,187	978,009
Income Taxes	1,136,912	0	0	0	126,324	1,263,236
Accounts	34,552	0	0	0	8,909	43,461
Intergovernmental	146,377	168,492	19,740	424,667	114,088	873,364
Interfund Receivable	397,074	0	0	0	0	397,074
Materials and Supplies Inventory	0	13,221	0	0	0	13,221
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	17,445	0	0	0	0	17,445
Total Assets	\$3,115,096	\$551,034	\$40,386	\$1,009,468	\$1,493,158	\$6,209,142
Liabilities						
Accounts Payable	\$13,575	\$2,125	\$40,385	\$2,175	\$160,535	\$218,795
Accrued Wages	71,485	6,372	0	0	7,083	84,940
Intergovernmental Payable	56,333	4,404	0	424,667	5,899	491,303
Interfund Payable	0	0	87,358	5,060	72,030	164,448
Unearned Revenue	10,850	1,956	0	411,545	0	424,351
Total Liabilities	152,243	14,857	127,743	843,447	245,547	1,383,837
Deferred Inflows of Resources						
Property Taxes	315,485	155,276	0	0	186,172	656,933
Unavailable Revenue	1,266,352	197,182	19,740	424,667	278,417	2,186,358
Total Deferred Inflows of Resources	1,581,837	352,458	19,740	424,667	464,589	2,843,291
Fund Balances						
Nonspendable	17,445	13,221	0	0	0	30,666
Restricted	0	170,498	0	0	970,440	1,140,938
Committed	0	0	0	0	10,753	10,753
Assigned	573,886	0	0	0	0	573,886
Unassigned (Deficit)	789,685	0	(107,097)	(258,646)	(198,171)	225,771
Total Fund Balances (Deficit)	1,381,016	183,719	(107,097)	(258,646)	783,022	1,982,014
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,115,096	\$551,034	\$40,386	\$1,009,468	\$1,493,158	\$6,209,142

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, 2014*

Total Governmental Fund Balances	\$1,982,014
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*Amounts reported for governmental activities in the
statement of net position are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,768,825
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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	321,076
Income Taxes	1,133,914
Intergovernmental	<u>731,368</u>

Total	2,186,358
-------	-----------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(1,706)
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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	(481,581)
Jail Services Liability	(58,847)
Capital Leases	(8,513)
Compensated Absences	<u>(281,991)</u>

Total	<u>(830,932)</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$6,104,559</u></u>
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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, 2014

	General	Street Construction, Maintenance and Repair	Clean Ohio	Infrastructure and Equipment	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$287,632	\$151,415	\$0	\$0	\$183,654	\$622,701
Municipal Income Taxes	1,637,940	0	0	0	181,994	1,819,934
Charges for Services	43,892	0	0	0	0	43,892
Fines, Licenses and Permits	581,224	0	0	0	255,750	836,974
Intergovernmental	419,161	332,161	725,671	10,121	336,606	1,823,720
Interest	2,626	15	0	0	30	2,671
Rentals	0	0	0	0	9,460	9,460
Other	164,884	757	0	159,308	28,080	353,029
<i>Total Revenues</i>	<u>3,137,359</u>	<u>484,348</u>	<u>725,671</u>	<u>169,429</u>	<u>995,574</u>	<u>5,512,381</u>
Expenditures						
Current:						
General Government	1,269,312	0	0	0	43,144	1,312,456
Security of Persons and Property:						
Police	1,341,595	0	0	0	360,624	1,702,219
Fire	398,748	0	0	0	60,957	459,705
Transportation	0	395,460	0	0	133,353	528,813
Community Environment	0	0	532,955	0	300,831	833,786
Leisure Time Activities	0	0	0	0	186,548	186,548
Capital Outlay	9,800	0	0	540,114	0	549,914
Debt Service:						
Principal Retirement	1,287	0	0	0	14,543	15,830
Interest and Fiscal Charges	518	0	0	0	20,932	21,450
<i>Total Expenditures</i>	<u>3,021,260</u>	<u>395,460</u>	<u>532,955</u>	<u>540,114</u>	<u>1,120,932</u>	<u>5,610,721</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>116,099</u>	<u>88,888</u>	<u>192,716</u>	<u>(370,685)</u>	<u>(125,358)</u>	<u>(98,340)</u>
Other Financing Sources (Uses)						
Inception of Capital Lease	9,800	0	0	0	0	9,800
Transfers In	0	0	0	0	3,000	3,000
Transfers Out	(6,123)	0	0	0	0	(6,123)
<i>Total Other Financing Sources (Uses)</i>	<u>3,677</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>6,677</u>
<i>Net Change in Fund Balances</i>	119,776	88,888	192,716	(370,685)	(122,358)	(91,663)
<i>Fund Balances (Deficit)</i>						
<i>Beginning of Year - Restated (See Note 19)</i>						
	<u>1,261,240</u>	<u>94,831</u>	<u>(299,813)</u>	<u>112,039</u>	<u>905,380</u>	<u>2,073,677</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,381,016</u>	<u>\$183,719</u>	<u>(\$107,097)</u>	<u>(\$258,646)</u>	<u>\$783,022</u>	<u>\$1,982,014</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, 2014*

Net Change in Fund Balances - Total Governmental Funds (91,663)

*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 depreciation exceeded capital outlay in the current period:

Capital Asset Additions	31,785
Current Year Depreciation	<u>(183,497)</u>

Total (151,712)

Other financing sources in the governmental funds, such as inception of capital lease, increase long-term liabilities in the statement of net position. (9,800)

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

Delinquent Property Taxes	24,027
Income Taxes	(26,764)
Intergovernmental	<u>450,868</u>

Total 448,131

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. 15,830

In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due. 51

Some expenses do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(20,721)
Jail Services Liability	<u>(58,847)</u>

Total (79,568)

Change in Net Position of Governmental Activities \$131,269

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$275,408	\$312,888	\$287,632	(\$25,256)
Municipal Income Taxes	1,241,869	1,410,873	1,558,992	148,119
Charges for Services	137,803	156,556	43,892	(112,664)
Fines, Licenses and Permits	479,355	543,848	583,025	39,177
Intergovernmental	327,741	372,343	409,540	37,197
Interest	3,065	3,482	2,626	(856)
Other	99,721	113,431	140,992	27,561
<i>Total Revenues</i>	2,564,962	2,913,421	3,026,699	113,278
Expenditures				
Current:				
General Government	1,322,073	1,450,073	1,453,129	(3,056)
Security of Persons and Property:				
Police	1,256,962	1,426,962	1,448,831	(21,869)
Fire	446,117	471,117	418,633	52,484
Debt Service:				
Principal Retirement	0	0	10,455	(10,455)
Interest and Fiscal Charges	0	0	546	(546)
<i>Total Expenditures</i>	3,025,152	3,348,152	3,331,594	16,558
<i>Excess of Revenues Over (Under) Expenditures</i>	(460,190)	(434,731)	(304,895)	129,836
Other Financing Sources (Uses)				
Advances In	150,032	150,032	150,042	10
Advances Out	0	(17,000)	(386,073)	(369,073)
Transfers Out	0	(6,000)	(6,123)	(123)
<i>Total Other Financing Sources (Uses)</i>	150,032	127,032	(242,154)	(369,186)
<i>Net Change in Fund Balance</i>	(310,158)	(307,699)	(547,049)	(239,350)
<i>Fund Balance Beginning of Year</i>	1,015,139	1,015,139	1,015,139	0
Prior Year Encumbrances Appropriated	172,845	172,845	172,845	0
<i>Fund Balance End of Year</i>	\$877,826	\$880,285	\$640,935	(\$239,350)

See accompanying notes to the basic financial statements

City of Campbell, Ohio
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$319,874	\$319,874	\$151,415	(\$168,459)
Intergovernmental	176,432	176,432	331,108	154,676
Investment Earnings	0	0	15	15
Miscellaneous	2,000	2,000	0	(2,000)
<i>Total Revenues</i>	498,306	498,306	482,538	(15,768)
Expenditures				
Current:				
Transportation	469,483	469,483	411,195	58,288
<i>Net Change in Fund Balance</i>	28,823	28,823	71,343	42,520
<i>Fund Balance Beginning of Year</i>	50,625	50,625	50,625	0
Prior Year Encumbrances Appropriated	12,539	12,539	12,539	0
<i>Fund Balance End of Year</i>	<u>\$91,987</u>	<u>\$91,987</u>	<u>\$134,507</u>	<u>\$42,520</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Clean Ohio Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,600,000	\$1,600,000	\$725,671	(\$874,329)
Expenditures				
Current:				
Community Environment	1,000,000	1,000,000	781,744	218,256
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>600,000</u>	<u>600,000</u>	<u>(56,073)</u>	<u>(656,073)</u>
Other Financing Sources (Uses)				
Advances In	0	0	87,358	87,358
Advances Out	0	0	(31,285)	(31,285)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>56,073</u>	<u>56,073</u>
<i>Net Change in Fund Balance</i>	600,000	600,000	0	(600,000)
<i>Fund Balance Beginning of Year</i>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$600,001</u></u>	<u><u>\$600,001</u></u>	<u><u>\$1</u></u>	<u><u>(\$600,000)</u></u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Enterprise		
	Water	Storm Water Management	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$857,530	\$390,614	\$1,248,144
Accounts Receivable	113,190	11,964	125,154
Interfund Receivable	5,060	0	5,060
<i>Total Current Assets</i>	<u>975,780</u>	<u>402,578</u>	<u>1,378,358</u>
<i>Noncurrent Assets:</i>			
Nondepreciable Capital Assets	34,280	0	34,280
Depreciable Capital Assets, Net	4,961,203	0	4,961,203
<i>Total Noncurrent Assets</i>	<u>4,995,483</u>	<u>0</u>	<u>4,995,483</u>
<i>Total Assets</i>	<u>5,971,263</u>	<u>402,578</u>	<u>6,373,841</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	21,609	606	22,215
Accrued Wages	23,971	495	24,466
Intergovernmental Payable	19,296	531	19,827
Interfund Payable	237,686	0	237,686
Accrued Interest Payable	35,110	0	35,110
OPWC Loans Payable	45,544	0	45,544
OWDA Loans Payable	98,261	0	98,261
Compensated Absences Payable	4,924	0	4,924
<i>Total Current Liabilities</i>	<u>486,401</u>	<u>1,632</u>	<u>488,033</u>
<i>Long-Term Liabilities (net of current portion):</i>			
OPWC Loans Payable	278,321	0	278,321
OWDA Loans Payable	1,169,261	0	1,169,261
Compensated Absences Payable	45,352	0	45,352
<i>Total Long-Term Liabilities</i>	<u>1,492,934</u>	<u>0</u>	<u>1,492,934</u>
<i>Total Liabilities</i>	<u>1,979,335</u>	<u>1,632</u>	<u>1,980,967</u>
Net Position			
Net Investment in Capital Assets	3,404,096	0	3,404,096
Unrestricted	587,832	400,946	988,778
<i>Total Net Position</i>	<u>\$3,991,928</u>	<u>\$400,946</u>	<u>\$4,392,874</u>

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, 2014*

	Enterprise		
	Water	Storm Water Management	Total
Operating Revenues			
Charges for Services	\$1,492,846	\$139,096	\$1,631,942
Operating Expenses			
Personal Services	767,490	17,536	785,026
Materials and Supplies	178,215	0	178,215
Contractual Services	401,153	15,329	416,482
Depreciation	186,995	0	186,995
Other	14,674	20,062	34,736
<i>Total Operating Expenses</i>	<u>1,548,527</u>	<u>52,927</u>	<u>1,601,454</u>
<i>Operating Income (Loss)</i>	<u>(55,681)</u>	<u>86,169</u>	<u>30,488</u>
Non-Operating Revenues (Expenses)			
Intergovernmental Revenue	5,060	0	5,060
Interest and Fiscal Charges	(73,075)	0	(73,075)
<i>Total Non-Operating Revenue (Expenses)</i>	<u>(68,015)</u>	<u>0</u>	<u>(68,015)</u>
<i>Income (Loss) before Transfers</i>	(123,696)	86,169	(37,527)
Transfers In	0	3,123	3,123
<i>Change in Net Position</i>	(123,696)	89,292	(34,404)
<i>Net Position Beginning of Year - Restated (See Note 19)</i>	<u>4,115,624</u>	<u>311,654</u>	<u>4,427,278</u>
<i>Net Position End of Year</i>	<u><u>\$3,991,928</u></u>	<u><u>\$400,946</u></u>	<u><u>\$4,392,874</u></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, 2014

	Enterprise		
	Water	Storm Water Management	Total
<i>Increase in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$1,500,294	\$142,644	\$1,642,938
Cash Payments to Employees for Services	(777,635)	(17,610)	(795,245)
Cash Payments for Goods and Services	(561,154)	(28,183)	(589,337)
Other Cash Payments	(14,674)	(20,062)	(34,736)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>146,831</u>	<u>76,789</u>	<u>223,620</u>
Cash Flows from Noncapital Financing Activities			
Financing Activities			
Grants Received	0	35,623	35,623
Advances In	226,685	0	226,685
Advances Out	(2,094)	(40,000)	(42,094)
Transfers In	0	3,123	3,123
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>224,591</u>	<u>(1,254)</u>	<u>223,337</u>
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(122,577)	0	(122,577)
Principal Paid on OWDA Loans	(103,827)	0	(103,827)
Interest Paid on OWDA Loans	(75,655)	0	(75,655)
Principal Paid on OWPC Loans	(65,786)	0	(65,786)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(367,845)</u>	<u>0</u>	<u>(367,845)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	3,577	75,535	79,112
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>853,953</u>	<u>315,079</u>	<u>1,169,032</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$857,530</u>	<u>\$390,614</u>	<u>\$1,248,144</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	<u>(\$55,681)</u>	<u>\$86,169</u>	<u>\$30,488</u>
Adjustments:			
Depreciation	186,995	0	186,995
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	7,448	171	7,619
Intergovernmental Receivable	0	3,377	3,377
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	4,233	(12,854)	(8,621)
Accrued Wages	3,780	32	3,812
Compensated Absences Payable	2,733	0	2,733
Intergovernmental Payable	(2,677)	(106)	(2,783)
<i>Total Adjustments</i>	<u>202,512</u>	<u>(9,380)</u>	<u>193,132</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$146,831</u>	<u>\$76,789</u>	<u>\$223,620</u>

See accompanying notes to the basic financial statements

City of Campbell, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$498,276
Cash and Cash Equivalents in Segregated Accounts	136,019
Due from Other Governments	<u>2,530</u>
<i>Total Assets</i>	<u><u>\$636,825</u></u>
Liabilities	
Due to Others	\$237,460
Due to Other Governments	<u>399,365</u>
<i>Total Liabilities</i>	<u><u>\$636,825</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, 2014

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 the Eastgate Regional Council of Governments, a jointly governed organization. This organization is presented 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, 2014

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 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. 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 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, 2014

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.

Clean Ohio Fund - The clean Ohio fund accounts for and reports restricted grant monies received from the Ohio Department of Development for the Sherman International Property Redevelopment project.

Infrastructure and Equipment Fund - The infrastructure and equipment fund accounts for and reports restricted grant monies received from the Ohio Department of Development and the Ohio Public Works Commission to be expended on various infrastructure projects and to purchase equipment.

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. The City has no internal service funds.

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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City's fiduciary funds are agency funds. Agency funds are used to account for the sewer amounts collected and paid to Mahoning County and amounts collected by the municipal court that are paid to other governments.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using 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 the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

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 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

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

have not yet been met because such amounts have not yet been earned. The City recognizes unearned revenue for the long-term lease of land throughout the City for oil and gas exploration.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. The amounts have been recorded as 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, income taxes and grants and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

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 City Auditor.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amount to \$2,626, of which \$1,987 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.

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.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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 fair market 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land. 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.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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.

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.

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 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, as both are equally binding) 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, 2014

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. State statute authorizes the Finance Director to assign balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2015'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 and storm water services. 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.

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

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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 agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation 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.

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:

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Fund Balances	General	Street Construction, Maintenance and Repair	Clean Ohio	Infrastructure and Equipment	Other Governmental Funds	Total
<i>Nonspendable</i>						
Inventory	\$0	\$13,221	\$0	\$0	\$0	\$13,221
Unclaimed Monies	17,445	0	0	0	0	17,445
<i>Total Nonspendable</i>	17,445	13,221	0	0	0	30,666
<i>Restricted for</i>						
Recreation	0	0	0	0	93,544	93,544
Safety Forces	0	0	0	0	395,728	395,728
Street Maintenance	0	170,498	0	0	188,992	359,490
Recycling	0	0	0	0	39,026	39,026
Enforcement and Education	0	0	0	0	240,784	240,784
Community Development	0	0	0	0	11,711	11,711
Capital Improvements	0	0	0	0	655	655
<i>Total Restricted</i>	0	170,498	0	0	970,440	1,140,938
<i>Committed to</i>						
Safety Forces	0	0	0	0	8,394	8,394
Capital Improvements	0	0	0	0	2,359	2,359
<i>Total Committed</i>	0	0	0	0	10,753	10,753
<i>Assigned to</i>						
2015 Appropriations	335,883	0	0	0	0	335,883
Purchases on Order						
Personal Services	8,547	0	0	0	0	8,547
Purchased Services	121,610	0	0	0	0	121,610
Materials and Supplies	67,631	0	0	0	0	67,631
Other	27,074	0	0	0	0	27,074
Capital Outlay	13,141	0	0	0	0	13,141
<i>Total Assigned</i>	573,886	0	0	0	0	573,886
<i>Unassigned (Deficit)</i>	789,685	0	(107,097)	(258,646)	(198,171)	225,771
<i>Total Fund Balances (Deficit)</i>	\$1,381,016	\$183,719	(\$107,097)	(\$258,646)	\$783,022	\$1,982,014

Note 4 – Accountability and Compliance

Accountability

Fund balances at December 31, 2014, included the following individual fund deficits:

	<u>Deficit Fund Balances</u>
<i>Major Fund:</i>	
Clean Ohio	\$107,097
Infrastructure and Equipment	258,646
<i>Special Revenue Funds:</i>	
Community Development	23,847
Industrial Light Grant	174,324

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The special revenue funds' deficits are caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur.

Compliance

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

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Police - Personnel Services	\$797,450	\$858,667	(\$61,217)
Fire - Personnel Services	192,743	215,042	(22,299)
Zoning - Personnel Services	0	8,093	(8,093)
Zoning - Other	0	1,844	(1,844)
Council - Other	56,440	56,728	(288)
Court - Personnel Services	118,000	118,355	(355)
Court - Other	152,002	169,009	(17,007)
Workers' Compensation - Other	0	65,609	(65,609)
Street Construction, Maintenance and			
Repair Fund - Personnel Services	121,521	129,068	(7,547)
Park Fund - Personnel Services	44,919	55,018	(10,099)
State Highway Fund - Other	77,423	132,208	(54,785)
Fire Pension Fund - Other	23,000	28,729	(5,729)
Safety Forces Levy Fund - Other	5,000	160,643	(155,643)
YMHA Police Patrol Fund - Other	23,892	35,625	(11,733)
Water Fund - Personnel Services	394,719	473,283	(78,564)
Storm Water Management Fund - Personnel Services	7,691	9,798	(2,107)

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 as restricted, committed, or assigned of fund balance (GAAP).

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

4. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
5. Advances-in and Advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

	Net Change in Fund Balances		
	General	Street Construction, Maintenance and Repair	Clean Ohio
GAAP Basis	\$119,776	\$88,888	\$192,716
Net Adjustment for Revenue Accruals	(156,410)	(1,810)	0
Ending Unrecorded Cash	35,950	0	0
Net Adjustment for Expenditures Accruals	(56,741)	(12,040)	(228,144)
Advance In	150,042	0	87,358
Advance Out	(386,073)	0	(31,285)
Encumbrances	(253,593)	(3,695)	(20,645)
Budget Basis	<u>(\$547,049)</u>	<u>\$71,343</u>	<u>\$0</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 deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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 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;

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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, Government National Mortgage Association, and Student Loan Marketing 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 division (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;
6. The State Treasurer's investment pool (STAROhio); and
7. Certain commercial paper notes and bankers' acceptances for a period not to exceed one hundred eighty days in an amount not to exceed 25 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.

The City has passed an ordinance allowing the City to invest any 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; and
3. Obligations of the City.

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$3,998,293 of the City's bank balance of \$4,683,787 was uninsured and

City of Campbell, Ohio
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uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 7 - Receivables

Receivables at December 31, 2014, 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.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$9.50 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2014 property tax receipts were based are as follows:

Real Property	\$62,767,910
Public Utility Personal Property	3,345,570
Total	<u>\$66,113,480</u>

City of Campbell, Ohio
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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, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 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 2014, the proceeds were allocated ninety percent to the general fund and ten percent to the park special revenue fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Army Corps of Engineers	\$424,667
Gasoline and Municipal Cents per Gallon	130,908
Homestead and Rollback	91,229
Local Government	76,740
Permissive Tax	41,271
Motor Vehicle License Tax	27,945
Clean Ohio Grant	19,740
4th Quarter Sewer Administration Reimbursement	13,680
City of Youngstown	13,487
Youngstown Metropolitan Housing Authority	12,547
CHIP Grant	12,032
Ohio Department of Natural Resources	8,785
Commercial Activity Tax	333
Total	\$873,364

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 different rates depending upon length of service and type of employment. 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.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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, 2014.

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
Governmental Activities				
<i>Capital Assets not being Depreciated:</i>				
Land	\$755,800	\$0	\$0	\$755,800
<i>Capital Assets being Depreciated:</i>				
Land Improvements	715,151	0	0	715,151
Buildings	1,796,193	0	0	1,796,193
Machinery and Equipment	597,512	9,800	0	607,312
Vehicles	1,807,634	21,985	0	1,829,619
Infrastructure	849,086	0	0	849,086
Total Capital Assets being Depreciated	5,765,576	31,785	0	5,797,361
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(358,553)	(14,303)	0	(372,856)
Buildings	(1,552,987)	(13,925)	0	(1,566,912)
Machinery and Equipment	(491,022)	(15,076)	0	(506,098)
Vehicles	(861,438)	(129,521)	0	(990,959)
Infrastructure	(336,839)	(10,672)	0	(347,511)
Total Accumulated Depreciation	(3,600,839)	(183,497) *	0	(3,784,336)
Total Capital Assets being Depreciated, Net	2,164,737	(151,712)	0	2,013,025
Governmental Activities Capital Assets, Net	\$2,920,537	(\$151,712)	\$0	\$2,768,825

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

*Depreciation expense was charged to governmental activities as follows:

General Government	\$31,186
Security of Persons and Property	118,426
Transportation	20,734
Leisure Time Activities	<u>13,151</u>
Total Depreciation Expense	<u><u>\$183,497</u></u>

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
Business Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$34,280	\$0	\$0	\$34,280
<i>Capital Assets being Depreciated:</i>				
Land Improvements	33,962	0	0	33,962
Buildings	3,923,395	0	0	3,923,395
Machinery and Equipment	1,686,698	122,577	0	1,809,275
Vehicles	29,101	0	0	29,101
Infrastructure	10,200,000	0	0	10,200,000
Total Capital Assets being Depreciated	<u>15,873,156</u>	<u>122,577</u>	<u>0</u>	<u>15,995,733</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(30,575)	(820)	0	(31,395)
Buildings	(2,966,055)	(47,251)	0	(3,013,306)
Machinery and Equipment	(1,508,899)	(33,650)	0	(1,542,549)
Vehicles	(18,006)	(3,274)	0	(21,280)
Infrastructure	(6,324,000)	(102,000)	0	(6,426,000)
Total Accumulated Depreciation	<u>(10,847,535)</u>	<u>(186,995)</u>	<u>0</u>	<u>(11,034,530)</u>
Total Capital Assets being Depreciated, Net	<u>5,025,621</u>	<u>(64,418)</u>	<u>0</u>	<u>4,961,203</u>
Business Type Activities Capital Assets, Net	<u><u>\$5,059,901</u></u>	<u><u>(\$64,418)</u></u>	<u><u>\$0</u></u>	<u><u>\$4,995,483</u></u>

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.

City of Campbell, Ohio
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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, 2014, the Pool retained \$350,000 for casualty claims and \$100,000 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. There has been no significant reduction in coverage from last year.

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.

Financial Position

PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and preliminarily show the following assets, liabilities and net position at December 31, 2014 and 2013:

<u>Casualty and Property Coverage</u>	<u>2014</u>	<u>2013</u>
Assets	\$35,402,177	\$34,411,883
Liabilities	<u>12,363,257</u>	<u>12,760,194</u>
Net Position - Unrestricted	<u>\$23,038,920</u>	<u>\$21,651,689</u>

At December 31, 2014 and 2013, respectively, the liabilities above include approximately \$11.2 million and \$11.6 million of estimated incurred claims payable. The casualty coverage assets and net position above include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 member governments in the future, as of December 31, 2014 and 2013, 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 second year the City was a member of the PEP. The contribution for 2014 was \$80,404.

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.

City of Campbell, Ohio
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For The Year Ended December 31, 2014

The City also has boiler and machinery insurance coverage in the amount of \$27,274,978 through Wells Fargo Insurance and crime policy insurance coverage in the amount of \$50,000 per employee theft through Cincinnati Insurance.

Healthcare

Healthcare is provided through Medical Mutual with single coverage of \$8,198.88 per year, husband and wife coverage of \$17,927.57 per year, parent and child coverage of \$14,053.56 per year and full family coverage of \$25,370.55 per year.

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

The general fund made a transfer of \$3,000 to the area on aging special revenue fund and a transfer of \$3,123 to the storm water management enterprise fund during 2014.

Interfund Balances

Interfund balances at December 31, 2014, consist of the following:

Interfund Payable	Interfund Receivable		
	General	Water Fund	Total
Governmental Funds			
Major Funds:			
Clean Ohio Fund	\$87,358	\$0	\$87,358
Infrastructure and Equipment Fund	0	5,060	5,060
Nonmajor Funds:			
Community Development Fund	37,913	0	37,913
Industrial Light Grant Fund	34,117	0	34,117
Enterprise Funds			
Water Fund	237,686	0	237,686
Grand Total	<u>\$397,074</u>	<u>\$5,060</u>	<u>\$402,134</u>

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

There were two advances made to correct OPWC and OWDA loan payments. Revenue was mistakenly posted to the infrastructure and equipment capital projects fund. An interfund payable of \$5,060 was set up to

City of Campbell, Ohio
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move the revenue back to the water fund. An OWDA payment was made out of the general fund instead of the water enterprise fund. The general fund has an interfund receivable from the water fund of \$11,001 for the principal and interest paid.

Note 13 - Long-Term Obligations

Original issue amounts and interest rates of the City's debt issues are as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
Business-Type Activities			
<i>OPWC Loans</i>			
Liberty Sewer Water Tank - 1999	0.00%	\$809,670	2021
Wilson Avenue & 13th Street Sanitary Separation - 2010	0.00	101,204	2031
<i>OWDA Loans</i>			
Water Treatment Plant - 2000	5.16 - 5.54	2,421,405	2024

A schedule of changes in long-term obligations of the City during 2014 follows:

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14	Amounts Due in One Year
Governmental Activities					
<i>Other</i>					
Police and Fire Pension	\$496,124	\$0	(\$14,543)	\$481,581	\$15,169
Jail Services Liability	0	70,847	(12,000)	58,847	12,000
Capital Lease	0	9,800	(1,287)	8,513	2,799
Compensated Absences	261,270	90,029	(69,308)	281,991	86,369
Total Governmental Activities	\$757,394	\$170,676	(\$97,138)	\$830,932	\$116,337
Business-Type Activities					
<i>OPWC Loans</i>					
Liberty Sewer Water Tank	\$303,626	\$0	(\$60,725)	\$242,901	\$40,484
Wilson Avenue and 13th Street Sanitary Separation	88,554	0	(7,590)	80,964	5,060
Total OPWC Loans	392,180	0	(68,315)	323,865	45,544
<i>OWDA Loans</i>					
Water Treatment Plant	1,381,805	0	(114,283)	1,267,522	98,261
<i>Other</i>					
Compensated Absences	47,543	6,386	(3,653)	50,276	4,924
Total Business-Type Activities	\$1,821,528	\$6,386	(\$186,251)	\$1,641,663	\$148,729

The police and fire pension liability will be paid from the police and fire pension funds. The jail services liability is an amount owed to Mahoning County for holding prisoners. This liability will be paid from the general fund. The OWDA and OPWC loans will be paid with user charges from the water enterprise fund. Compensated absences will be paid from the following funds: the general fund, the street construction, maintenance and repair special revenue fund and the water enterprise fund. Capital leases will be paid from the general fund.

City of Campbell, Ohio
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The City's overall legal debt margin was \$6,941,915 with an unvoted debt margin of \$3,636,241 at December 31, 2014. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014, are as follows:

Governmental Activities:

	Police and Fire Pension Liability		Jail Services Liability
	Principal	Interest	Principal
2015	\$15,169	\$20,308	\$12,000
2016	15,820	19,656	12,000
2017	16,499	18,977	12,000
2018	17,208	18,268	12,000
2019	17,947	17,529	10,847
2020-2024	101,982	75,398	0
2025-2029	125,848	51,532	0
2030-2034	155,299	22,082	0
2035	15,809	336	0
Total	\$481,581	\$244,086	\$58,847

Business-Type Activities:

	OWDA Loans		OPWC Loans
	Principal	Interest	
2015	\$98,261	\$70,220	\$45,544
2016	103,705	64,777	45,544
2017	109,450	59,032	45,544
2018	115,513	52,968	45,544
2019	121,913	46,568	45,544
2020-2024	718,680	123,731	65,781
2025-2029	0	0	25,303
2030-2031	0	0	5,061
Total	\$1,267,522	\$417,296	\$323,865

Note 14 – Capital Leases

During 2014, the City entered into a lease agreement for a telephone system. This lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amount capitalized for the capital lease and the book value as of December 31, 2014 can be found in the table below.

City of Campbell, Ohio
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For The Year Ended December 31, 2014

	Governmental Activities
<i>Asset:</i>	
Equipment	\$9,800
Less: Accumulated Depreciation	(980)
Book Value as of December 31, 2014	\$8,820

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:

	Governmental Activities
Year Ending December 31,	
2015	\$3,610
2016	3,610
2017	2,708
Total Minimum Lease Payments	9,928
Less: Amount Representing Interest	(1,415)
Present Value of Minimum Lease	\$8,513

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

Note 15 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code,

City of Campbell, Ohio
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are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$138,309, \$136,647 and \$100,371, respectively. For 2014, 88.80 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$2,655 made by the City and \$1,896 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF 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 - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$153,775 and \$49,991 for the year ended December 31, 2014, \$113,783 and \$45,571 for the year ended December 31, 2013 and \$85,885 and \$45,546 for the year ended December 31, 2012. For 2014, 87.59 percent has been contributed for police and 88.04 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2014, the unfunded liability of the City was \$481,581 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 16 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$23,052, \$10,511 and \$40,148, respectively. For 2014, 88.80 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

Police and Firemen's Disability and Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF 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 OPF website at www.opf.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 OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF 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.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$4,047 and \$1,064 for the year ended December 31, 2014, \$25,556 and \$8,039 for the year ended December 31, 2013 and \$45,469 and \$17,822 for the year ended December 31, 2012. For 2014, 87.59 percent has been contributed for police and 88.04 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

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	\$253,593	Water	\$27,518
Street Construction, Maintenance and Repair	3,695	Storm Water Management	<u>4,531</u>
Clean Ohio	20,645		<u>\$32,049</u>
Infrastructure and Equipment	16,493		
Other Government Funds	<u>43,996</u>		
Total Governmental Funds	<u>\$338,422</u>		

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 2014, the City contributed \$1,925 to the Eastgate Regional Council of Governments. For more information contact John R. Getchey, executive director, at 5121 Mahoning Avenue, Youngstown, Ohio 44515.

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 19 – Restatement of Prior Year Fund Balances and Net Position

During 2014, it was determined that accounts and intergovernmental receivables were understated. This restatement had the following effect on fund balance as they were previously reported.

	General	Street Construction, Maintenance and Repair	Clean Ohio
Fund Balance,			
December 31, 2013	\$1,208,431	\$94,831	(\$299,813)
Accounts Receivable	36,268	0	0
Intergovernmental Receivable	16,541	0	0
 Adjusted Fund Balance,			
December 31, 2013	\$1,261,240	\$94,831	(\$299,813)
	Infrastructure and Equipment	Other Governmental Funds	Total Governmental Funds
Fund Balance,			
December 31, 2013	\$112,039	\$872,984	\$1,988,472
Accounts Receivable	0	10,503	46,771
Intergovernmental Receivable	0	21,893	38,434
 Adjusted Fund Balance,			
December 31, 2013	\$112,039	\$905,380	\$2,073,677

This restatement had the following effect on net position as it was previously reported.

	Governmental Activities
Net Position, December 31, 2013	\$5,888,085
Accounts Receivable	46,771
Intergovernmental Receivable	38,434
Adjusted Net Position, December 31, 2013	\$5,973,290

City of Campbell, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

During the year, it was determined that accounts receivable in the water and sewer enterprise funds were understated. This restatement had the following effect on net assets.

	<u>Water</u>	<u>Storm Water Management</u>	<u>Total Enterprise Funds</u>
Net Assets,			
December 31, 2013	\$4,039,949	\$299,519	\$4,339,468
Accounts Receivable	<u>75,675</u>	<u>12,135</u>	<u>87,810</u>
Adjusted Net Assets,			
December 31, 2013	<u>\$4,115,624</u>	<u>\$311,654</u>	<u>\$4,427,278</u>

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

Certified Public Accountants

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Ohio Society of Certified Public Accountants

**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 and
City of Campbell, Ohio

The Honorable Dave Yost
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, 2014, and the related notes to the financial statements, which collectively comprise the City of Campbell, Ohio's basic financial statements, and have issued our report thereon dated August 4, 2015, wherein we noted that the City restated its December 31, 2013 governmental fund balance and net position of governmental and business-type activities due to understatement of accounts and intergovernmental receivable.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Campbell, Ohio'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 of Campbell, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Campbell, Ohio'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Responses to be material weaknesses which are listed as **Finding 2014-002, Finding 2014-003, and Finding 2014-004.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Campbell, Ohio'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the Schedule of Findings and Responses as **Finding 2014-001.**

City of Campbell, Ohio's Response to Findings

The City of Campbell, Ohio's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City of Campbell, Ohio's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the City of Campbell, Ohio'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 of Campbell, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President

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

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G.
Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.08.20 17:17:04 -04'00'

August 4, 2015

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014**

Finding No. 2014-001 - 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).

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
General Fund:			
Police - Personnel Services	\$ 797,450	\$ 858,667	\$ (61,217)
Fire - Personnel Services	192,743	215,042	(22,299)
Zoning - Personnel Services	0	8,093	(8,093)
Zoning - Other	0	1,844	(1,844)
Council - Other	56,440	56,728	(288)
Court - Personnel Services	118,000	118,355	(355)
Court - Other	152,002	169,009	(17,007)
Workers Compensation - Other	0	65,609	(65,609)
Street Construction Maintenance and Repair Fund			
- Personnel Services	121,521	129,068	(7,547)
Park Fund - Personnel Services	44,919	55,018	(10,099)
State Highway Fund - Other	77,423	132,208	(54,785)
Fire Pension Fund - Other	23,000	28,729	(5,729)
Safety Forces Levy Fund - Other	5,000	160,643	(155,643)
YMHA Police Patrol Fund - Other	23,892	35,625	(11,733)
Water Fund - Personnel Services	394,719	473,283	(78,564)
Storm Water Management Fund - Personnel Services	7,691	9,798	(2,107)

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
DECEMBER 31, 2014
(CONTINUED)**

Finding No. 2014-002 - Material Weakness - Bank Reconciliations

Statement of Condition/Criteria

Based on our audit of the cash function for the City, we noted that the monthly bank reconciliations are not being prepared timely. We also noted several reconciling items which were not properly posted on the City's books and were subsequently corrected through audit adjustments by the City prior to issuing the audited financial statements. In addition, we noted there was no separate approval process for either the City or the Court bank reconciliations.

Cause/Effect

Lack of controls over the bank reconciliation processes and posting can lead to possible errors and adjustments not being identified and corrected on a timely basis.

Recommendation

We recommend that the City prepare their bank reconciliations timely and, in addition, post and correct any reconciling items timely/monthly. We also recommend that bank reconciliations be approved and signed off by an individual that is independent of the bank reconciliation procedures.

City's Response

The City will implement the recommendations.

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014
(CONTINUED)**

Finding No. 2014-003 - Material Weakness - Posting Receipts and Disbursements 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. Checks are typed using a typewriter and then later entered into the system, which resulted in inconsequential differences between the check amount and what is reported in the system.
3. Receipts were posted to the wrong account within a fund or to the wrong fund.
4. The City was unable to provide support for two receipts which were recorded as estate tax. These receipts were paid to the City through wire transactions.

Cause/Effect

Lack of controls over entering/recording transactions in the system 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 timely and implement controls to ensure the transactions are recorded accurately. We also recommend that the City receive training on how to properly use its system to help improve accuracy and efficiency. We also recommend that the City prepare vendor checks through the use of financial software instead of manually.

City's Response

The City will implement the recommendations.

**CITY OF CAMPBELL
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014
(CONTINUED)**

Finding No. 2014-004 - Material Weakness - Internal Controls over Financial Reporting

Statement of Condition/Criteria

Financial reporting is the responsibility of the City's Finance Department and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

During the annual financial statement preparation process, management identified the following errors to the financial statements.

1. Restatement of Net Position at December 31, 2013 for December 2013 water and storm water usage billed in January in the amounts of \$75,675 and \$12,135, respectively, that was not reported as receivables.
2. Restatement of Fund Balance and Net Position at December 31, 2013 for services provided in December 2013 in the amount of \$85,205 that were not reported as receivables.
3. Understatement of General Fund revenues of \$146,502 relating to December 2014 services provided that were not included as receivable and income taxes received in the available period being reported as deferred inflows instead of revenue.
4. Understatement of Other Governmental Funds revenues of \$12,547 relating to December 2014 services provided that were not included as receivable.
5. Understatement of Infrastructure and Equipment Fund Expenditures of \$424,666 for reimbursement to the County for the City's share of the 2014 expenditures for the Industrial Park Sanitary Sewer Project.
6. Understatement of Other Governmental Funds expenditures of \$161,149 for 2014 work done on the MAH Casey Drive - Bob Cene Way Lighting Project, Clean Ohio Remediation Project, and home repair projects done through the CHIP program.
7. Understatement of General Fund assigned fund balance of \$335,883 for the portion of fund balance assigned to cover 2015 appropriations.
8. Understatement of Governmental Activities long-term liabilities of \$58,847 for amount to be repaid for the 2012 jail services.
9. Understatement of Water Fund revenue of \$80,608 for December 2014 water usage billed in 2015.
10. Understatement of Storm Water Management Fund revenue of \$11,964 for December 2014 usage billed in 2015.

As a result, audit adjustments have been proposed and made to correct the financial activity for 2014.

Cause/Effect

The changes in financial presentation resulted in a prior period adjustment to the various funds as noted above. Also the lack of controls over financial reporting 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 implement controls and procedures related to financial reporting that enables management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes.

Client Response

The City will implement the recommendation.

**CITY OF CAMPBELL
 MAHONING COUNTY, OHIO
 STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain.
2013-001	Purchase Orders	No	Reissued as Management Comment
2013-002	Expenditures Exceeding Appropriations	No	Repeated as Finding 2014-001

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

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Dave Yost • Auditor of State

CITY OF CAMPBELL

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2015**