



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**VILLAGE OF BAINBRIDGE  
ROSS COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2021-2020**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Bainbridge  
PO Box 551  
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We have reviewed the *Independent Auditor's Report* of the Village of Bainbridge, Ross County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

April 11, 2024

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VILLAGE OF BAINBRIDGE  
ROSS COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Village of Bainbridge  
Ross County  
P.O. Box 551  
Bainbridge, Ohio 45612

To the Village Council:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Bainbridge, Ross County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

January 12, 2024



**VILLAGE OF BAINBRIDGE  
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 46,702	\$ 37,835	\$ 84,537
Intergovernmental	48,523	127,178	175,701
Charges for Services	5,400	22,675	28,075
Earnings on Investments	4,646	-	4,646
Miscellaneous	3,467	22,384	25,851
<i>Total Cash Receipts</i>	<u>108,738</u>	<u>210,072</u>	<u>318,810</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	72,548	30,866	103,414
Public Health Services	1,033	-	1,033
Transportation	-	38,082	38,082
General Government	34,915	12,577	47,492
Debt Service:			
Principal Retirement	-	23,924	23,924
Interest and Fiscal Charges	-	2,730	2,730
<i>Total Cash Disbursements</i>	<u>108,496</u>	<u>108,179</u>	<u>216,675</u>
<i>Net Change in Fund Cash Balances</i>	242	101,893	102,135
<i>Fund Cash Balances, January 1 (Restated - See Note 14)</i>	<u>55,180</u>	<u>392,936</u>	<u>448,116</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 55,422</u>	<u>\$ 494,829</u>	<u>\$ 550,251</u>

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

**VILLAGE OF BAINBRIDGE  
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 219,987
<i>Total Operating Cash Receipts</i>	219,987
<b>Operating Cash Disbursements</b>	
Personal Services	75,680
Fringe Benefits	30,309
Contractual Services	201,280
Supplies and Materials	15,870
Other	5,000
<i>Total Operating Cash Disbursements</i>	328,139
<i>Operating Income (Loss)</i>	(108,152)
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	9,511
Loans Issued	47,877
Capital Outlay	(63,841)
Principal Retirement	(21,616)
Interest and Other Fiscal Charges	(1,999)
<i>Total Non-Operating Receipts (Disbursements)</i>	(30,068)
<i>Net Change in Fund Cash Balance</i>	(138,220)
<i>Fund Cash Balances, January 1</i>	487,683
<i>Fund Cash Balances, December 31</i>	\$ 349,463

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

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Note 1 – Reporting Entity**

The Village of Bainbridge (the Village), Ross County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected Mayor and six-member Council direct the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Ross County Sheriff's Department to provide security of persons and property. The Village appropriates monies received from the fire levy to support a volunteer fire department. The volunteer fire department has contracts to provide fire protection services to Paxton Township and Perry Township.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

***Fire Levy Fund*** – The Fire Levy Fund accounts for and reports money from a levy to cover the costs of providing fire protection services to the Village, Paxton, and Perry Townships.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
*(Continued)*

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

***Fund Accounting (Continued)***

***Enterprise Funds*** - These funds account for and report operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Water Operating Fund*** – The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

***Sewer Project Fund*** – The sewer project fund accounts for the provision of 10% of the water receipts to go towards the Sewer Project.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

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

A summary of 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

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

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Continued)

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

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

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Continued)

**Note 3 – Compliance**

Contrary to Ohio law, an appropriation measure was not filed with the Ross County Auditor therefore budgetary expenditures exceeded appropriation authority by \$107,659 in the General Fund, \$34,760 in the Street Construction, Maintenance and Repair Fund, \$3,322 in the Permissive Motor Vehicle License Tax Fund, \$70,097 in the Fire Levy Fund, \$15,855 in the Sewer Project Fund, \$219,350 in the Water Operating Fund, \$37,960 in the Solid Waste Collection Fund, \$5,132 Water Line Extension Fund, \$127,108 in the Sewer Improvement Fund, and \$8,839 in the Water Storage Project Fund for the year ended December 31, 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 108,738	\$ 108,738	\$ -
Special Revenue	210,072	210,072	-
Enterprise	267,086	277,375	10,289
Total	\$ 585,896	\$ 596,185	\$ 10,289

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 837	\$ 108,496	\$ (107,659)
Special Revenue	-	108,179	(108,179)
Enterprise	1,351	415,595	(414,244)
Total	\$ 2,188	\$ 632,270	\$ (630,082)

**Note 5 – Deposits and Investments**

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

	2021
Demand deposits	\$ 899,714

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by a letter of credit issued by the Federal Home Loan Bank of Cincinnati.

**VILLAGE OF BAINBRIDGE**  
*ROSS COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Continued)

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**Note 6 – Taxes**

***Property Taxes***

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

Public utilities are also taxed on personal and real property located within the Village.

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
*(Continued)*

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

***Ohio Public Employees Retirement System (Continued)***

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

***Social Security***

Six employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

**Note 10 – Debt**

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2006 OWDA Loan #4498	\$ 114,795	1.50%
Rosenbauer Fire Truck	50,512	3.67%
2020 OWDA Loan #8745	180,001	2.42%
	<u>\$ 345,308</u>	

The 1997 Ohio Water Development Authority (OWDA) loan (Loan #3140) relates to a water line extension project the Ohio Environmental Protection Agency mandated. The loan was repaid in full during 2021.

During 2006, the Village obtained an OWDA Water Storage Design loan and drew \$27,158, then effectively refinanced the loan at a lower interest rate by combining the loan with its OWDA Water Storage Improvements Project Loan (Loan #4498). This new loan was awarded to the Village for an amount up to \$212,890 for the construction of water storage improvements.

During 2013, the Village purchased a new Rosenbauer Fire Truck at the cost of \$300,000 with a down payment of \$80,000 and financed the remaining \$220,000. The loan will be repaid in annual installments of \$26,570, including interest, over 10 years.



**VILLAGE OF BAINBRIDGE**  
ROSS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)

**Note 10 – Debt (Continued)**

During 2020, the Village obtained an OWDA Gravity Sewer Collection System and WWRP Loan (Loan #8745) to begin the installation of a sewage system within the Village. The amount financed was \$197,690. A percentage of 10% was calculated to be added to the water receipts for the sewage planning process. There is no amortization schedule available for this loan.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31	OWDA #4498	Rosenabauer Fire Truck
2022	\$ 4,419	\$ 26,654
2023	8,838	26,654
2024	8,838	-
2025	8,838	-
2026	8,838	-
2027-2031	44,190	-
2032-2036	44,190	-
Total	\$ 128,151	\$ 53,308

**Note 11 – Contingent Liabilities**

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

**Note 12 – COVID-19**

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

**Note 13 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Village had no outstanding encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**VILLAGE OF BAINBRIDGE**  
*ROSS COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
*(Continued)*

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**Note 14 – Restatement of Fund Balances**

Beginning fund balance at January 1, 2021 was restated for the Village's General Fund due to voided payments.

	<u>General</u>
Ending Fund Balance, December 31, 2020	\$ 54,361
Restatement Amount	819
Beginning Fund Balance, January 1, 2021, Restated	<u>\$ 55,180</u>

**VILLAGE OF BAINBRIDGE  
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 41,929	\$ 37,070	\$ 78,999
Intergovernmental	42,011	147,386	189,397
Charges for Services	5,654	22,675	28,329
Earnings on Investments	5,496	-	5,496
Miscellaneous	25,793	12,522	38,315
<i>Total Cash Receipts</i>	120,883	219,653	340,536
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	82,960	102,304	185,264
Public Health Services	929	-	929
Transportation	-	24,219	24,219
General Government	68,963	21,702	90,665
Debt Service:			
Principal Retirement	-	23,077	23,077
Interest and Fiscal Charges	-	3,577	3,577
<i>Total Cash Disbursements</i>	152,852	174,879	327,731
<i>Net Change in Fund Cash Balances</i>	(31,969)	44,774	12,805
<i>Fund Cash Balances, January 1</i>	86,330	348,162	434,492
<i>Fund Cash Balances, December 31</i>	\$ 54,361	\$ 392,936	\$ 447,297

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

**VILLAGE OF BAINBRIDGE  
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 228,073
<i>Total Operating Cash Receipts</i>	228,073
<b>Operating Cash Disbursements</b>	
Personal Services	78,043
Fringe Benefits	28,868
Contractual Services	141,854
Supplies and Materials	18,010
Other	508
<i>Total Operating Cash Disbursements</i>	267,283
<i>Operating Income (Loss)</i>	(39,210)
<b>Non-Operating Receipts (Disbursements)</b>	
Loans Issued	141,769
Capital Outlay	(26,492)
Principal Retirement	(11,575)
Interest and Other Fiscal Charges	(2,289)
<i>Total Non-Operating Receipts (Disbursements)</i>	101,413
<i>Net Change in Fund Cash Balance</i>	62,203
<i>Fund Cash Balances, January 1</i>	425,481
<i>Fund Cash Balances, December 31</i>	\$ 487,684

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

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Note 1 – Reporting Entity**

The Village of Bainbridge (the Village), Ross County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected Mayor and six-member Council direct the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Ross County Sheriff's Department to provide security of persons and property. The Village appropriates monies received from the fire levy to support a volunteer fire department. The volunteer fire department has contracts to provide fire protection services to Paxton Township and Perry Township.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

***Fire Levy Fund*** – The Fire Levy Fund accounts for and reports money from a levy to cover the costs of providing fire protection services to the Village, Paxton, and Perry Townships.

***Coronavirus Relief Fund*** – The Coronavirus Relief Fund accounts for and reports money from the state and county to cover costs associated with the COVID-19 pandemic.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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

***Fund Accounting (Continued)***

**Enterprise Funds** - These funds account for and report operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

**Water Operating Fund** – The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Project Fund** – The sewer project fund accounts for the provision of 10% of the water receipts to go towards the Sewer Project.

**Utility Improvement Fund** The utility improvement fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

**Encumbrances** – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio Law.

A summary of 2020 budgetary activity appears in Note 3.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Continued)

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

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 117,768	\$ 120,883	\$ 3,115
Special Revenue	234,188	219,653	(14,535)
Enterprise	387,770	369,842	(17,928)
Total	\$ 739,726	\$ 710,378	\$ (29,348)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 174,455	\$ 153,689	\$ 20,766
Special Revenue	295,731	174,879	120,852
Capital Projects	400,903	308,990	91,913
Total	\$ 871,089	\$ 637,558	\$ 233,531

**Note 4 – Deposits and Investments**

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

	2020
Demand deposits	\$ 678,123
Certificates of deposit	256,858
Total deposits	934,981

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by a letter of credit issued by the Federal Home Loan Bank of Cincinnati.

**Note 5 – Taxes**

**Property Taxes**

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

Public utilities are also taxed on personal and real property located within the Village.



**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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**Note 5 – Taxes (Continued)**

***Property Taxes (Continued)***

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

**Note 6 – Risk Management**

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Social Security***

Six employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

**Note 7 – Defined Benefit Pension Plans (Continued)**

***Social Security (Continued)***

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Note 9 – Debt**

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1997 OWDA Loan #3140	\$ 4,935	6.32%
2006 OWDA Loan #4498	121,831	1.50%
Rosenbauer Fire Truck	74,436	3.67%
2020 OWDA Loan #8745	141,768	2.42%
	<u>\$ 342,970</u>	

The 1997 Ohio Water Development Authority (OWDA) loan (Loan #3140) relates to a water line extension project the Ohio Environmental Protection Agency mandated. The loan will be repaid in annual installments of \$5,427 including interest, over 25 years. Water receipts collateralize the loan. The Village has agreed to set utility rates to cover OWDA debt service requirements.

During 2006, the Village obtained an OWDA Water Storage Design loan and drew \$27,158, then effectively refinanced the loan at a lower interest rate by combining the loan with its OWDA Water Storage Improvements Project Loan (Loan #4498). This new loan was awarded to the Village for an amount up to \$212,890 for the construction of water storage improvements.

During 2013, the Village purchased a new Rosenbauer Fire Truck at the cost of \$300,000 with a down payment of \$80,000 and financed the remaining \$220,000. The loan will be repaid in annual installments of \$26,570, including interest, over 10 years.

During 2020, the Village obtained an OWDA Gravity Sewer Collection System and WWRP Loan (Loan #8745) to begin the installation of a sewage system within the Village. The amount financed was \$197,690. A percentage of 10% was calculated to be added to the water receipts for the sewage planning process. There is no amortization schedule available for this loan.

**VILLAGE OF BAINBRIDGE**  
**ROSS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

**Note 9 – Debt (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31	OWDA #3140	OWDA #4498	Rosenbauer Fire Truck
2021	\$ 5,132	\$ 4,419	\$ 26,654
2022	-	8,838	26,654
2023	-	8,838	26,654
2024	-	8,838	-
2025	-	8,838	-
2026-2030	-	44,190	-
2031-2035	-	44,190	-
2036-2040	-	8,838	-
Total	<u>\$ 5,132</u>	<u>\$ 136,989</u>	<u>\$ 79,962</u>

**Note 10 – Contingent Liabilities**

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

**Note 11 – COVID-19**

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

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General
Outstanding Encumbrances	\$ 837

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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

Village of Bainbridge  
Ross County  
P.O. Box 551  
Bainbridge, Ohio 45612

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Bainbridge, Ross County, (the Village) and have issued our report thereon dated January 12, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2021-001 that we consider to be a material weakness.

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

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2021-002 and 2021-003.

***Purpose of This Report***

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



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

January 12, 2024

VILLAGE OF BAINBRIDGE  
ROSS COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

**Material Weakness**

**Financial Reporting**

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

- Audit adjustments proposed in the prior audit period were not properly posted to the accounting system;
- State liquor receipt was recorded as Property Tax revenue in the Permissive Motor Vehicle License Tax Fund instead of correctly being recorded as Intergovernmental revenue in the General Fund in 2020;
- Some Gas Excise tax receipts from the State of Ohio were incorrectly posted to the General Fund instead of being allocated between the Street Construction, Maintenance, and Repair Fund and the State Highway Fund in 2020;
- Gas Excise tax receipts from the State of Ohio were incorrectly posted entirely to the Street Construction, Maintenance, and Repair Fund instead of a portion being allocated to the State Highway Fund in 2021;
- Some Auto License tax receipts from the State of Ohio were incorrectly posted entirely to the Street Construction, Maintenance, and Repair Fund instead of a portion being allocated to the State Highway Fund in 2020;
- Auto License tax receipts from the State of Ohio were incorrectly posted entirely to the Street Construction, Maintenance, and Repair Fund instead of a portion being allocated to the State Highway Fund in 2021;
- Bureau of Worker's Compensation refunds were incorrectly posted as Other Financing Sources instead of Miscellaneous revenue in the General Fund in 2020;
- Rollback receipts were incorrectly posted to the Street Construction, Maintenance, and Repair Fund instead of being allocated to General Fund and Fire Levy in 2020;
- Rollback receipts were incorrectly recorded as Property Tax revenue instead of Intergovernmental revenue in the General Fund in 2021;
- Fire Contract receipts were incorrectly recorded as Intergovernmental revenue instead of Charges for Services in the Fire Levy Fund in 2020;
- Grant receipts from the Chillicothe Ross Foundation was incorrectly recorded as Other Financing Sources instead of Miscellaneous revenue in the Fire Levy Fund in 2021 and 2020;
- Coronavirus Relief Fund receipts were incorrectly recorded as Special Items instead of Intergovernmental revenue in the in 2021 and 2020;
- Grant receipts from the State of Ohio were incorrectly recorded as Other Financing Sources instead of Intergovernmental in the Fire Levy Fund in 2021;
- A grant receipt from the Public Entities Pool of Ohio was incorrectly recorded as Other Financing Sources instead of Miscellaneous revenue in 2021;
- Disbursements in various funds were incorrectly classified as Other Financing Uses instead of the appropriate disbursement line item in 2021 and 2020;

VILLAGE OF BAINBRIDGE  
ROSS COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-001 (Continued)

Material Weakness (Continued)

Financial Reporting (Continued)

- Debt payments were incorrectly allocated between Principal Retirement and Interest in the Sewer Improvement Fund in 2021 and 2020;
- Debt proceeds were incorrectly recorded as Charges for Services instead of Loans Issued in the Sewer Operating Fund in 2021;
- Capitalized Interest for the OWDA #8745 loan was not recorded as Loans Issued and Capital Outlay in the Sewer Improvement Fund in 2021; and
- A transfer was incorrectly made between the Other Debt Service Fund and the General Fund in 2021;
- Debt payments were incorrectly allocated between Principal Retirement and Interest in the Fire Levy Fund in 2021.

Not posting receipts, disbursements and fund balances accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments, and the Village has posted all adjustments to its accounting system. To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such a review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

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

**Officials' Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2021-002

Noncompliance

**Ohio Rev. Code Section 5705.39**, states in part, that no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate.

**Ohio Rev. Code Section 5705.41(B)** provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

During 2021, the Village did not file their appropriation measure with the Ross County Auditor. The Ross County Auditor could not certify the appropriations for the Village did not exceed estimated revenue, therefore the appropriation measure did not take effect. Due to this, expenditures exceeded appropriations by \$107,659 in the General Fund, \$34,760 in the Street Construction, Maintenance and Repair Fund, \$3,322 in the Permissive Motor Vehicle License Tax Fund, \$70,097 in the Fire Levy Fund, \$15,855 in the Sewer Project Fund, \$219,350 in the Water Operating Fund, \$37,960 in the Solid Waste Collection Fund, \$5,132 Water Line Extension Fund, \$127,108 in the Sewer Improvement Fund, and \$8,839 in the Water Storage Project Fund.

VILLAGE OF BAINBRIDGE  
ROSS COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-002 (Continued)

Noncompliance (Continued)

The Fiscal Officer and Village Council should monitor appropriations versus estimated resources to help avoid overspending. Officials should review the requirements of ORC section 5705 to be familiar with these laws and ensure the Township is complying with applicable sections.

**Officials' Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2021-003

Noncompliance

**Ohio Revised Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.



VILLAGE OF BAINBRIDGE  
ROSS COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-003 (Continued)

**Noncompliance (Continued)**

3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 52% (24 of 46) of the expenditures tested for 2020.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response – We did not receive a response from officials to this finding.

**VILLAGE OF BAINBRIDGE  
ROSS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2021-001
2019-002	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2021-002
2019-003	Ohio Revised Code Section 5705.41(D)	Not Corrected	Repeated as Finding 2021-003

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BAINBRIDGE**

**ROSS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 4/23/2024**

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

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