



OHIO AUDITOR OF STATE
KEITH FABER



**BAINBRIDGE TOWNSHIP
GEAUGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Bainbridge Township
Geauga County
17826 Chillicothe Road
Chagrin Falls, Ohio 44023

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Bainbridge Township, Geauga County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total 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 fund type combined total 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 Township, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, 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 Township 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements for each year, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

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 Township'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 Township'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 Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

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Bainbridge Township
Geauga County, Ohio
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	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$849,021	\$9,003,812	\$0	\$0	\$0	\$9,852,833
Charges for Services	8,826	379,850	0	0	0	388,676
Licenses, Permits and Fees	67,074	29,925	0	0	0	96,999
Fines and Forfeitures	10,749	0	0	0	0	10,749
Intergovernmental	438,471	1,931,233	0	95,238	0	2,464,942
Special Assessments	0	9,081	0	0	0	9,081
Earnings on Investments	150,189	0	0	0	1	150,190
Miscellaneous	169,187	151,903	0	0	0	321,090
<i>Total Cash Receipts</i>	<u>1,693,517</u>	<u>11,505,804</u>	<u>0</u>	<u>95,238</u>	<u>1</u>	<u>13,294,560</u>
Cash Disbursements						
Current:						
General Government	1,018,355	0	0	0	0	1,018,355
Public Safety	0	7,140,767	0	0	0	7,140,767
Public Works	40,692	3,709,890	0	0	0	3,750,582
Health	0	98,150	0	0	0	98,150
Conservation-Recreation	461,103	0	0	0	0	461,103
Capital Outlay	283,341	2,075,555	0	95,238	0	2,454,134
Debt Service:						
Principal Retirement	0	0	451,000	0	0	451,000
Interest and Fiscal Charges	0	0	53,562	0	0	53,562
<i>Total Cash Disbursements</i>	<u>1,803,491</u>	<u>13,024,362</u>	<u>504,562</u>	<u>95,238</u>	<u>0</u>	<u>15,427,653</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(109,974)</u>	<u>(1,518,558)</u>	<u>(504,562)</u>	<u>0</u>	<u>1</u>	<u>(2,133,093)</u>
Other Financing Receipts (Disbursements)						
Transfers In	0	51,096	0	0	0	51,096
Transfers Out	(51,096)	0	0	0	0	(51,096)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(51,096)</u>	<u>51,096</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(161,070)</u>	<u>(1,467,462)</u>	<u>(504,562)</u>	<u>0</u>	<u>1</u>	<u>(2,133,093)</u>
<i>Fund Cash Balances, January 1</i>	<u>2,360,472</u>	<u>13,177,308</u>	<u>3,522,093</u>	<u>272,801</u>	<u>2,270</u>	<u>19,334,944</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,199,402</u>	<u>\$11,709,846</u>	<u>\$3,017,531</u>	<u>\$272,801</u>	<u>\$2,271</u>	<u>\$17,201,851</u>

See accompanying notes to the basic financial statements

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Bainbridge Township, Geauga County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with LifeForce Management to provide ambulance services.

Joint Economic Development Districts and Jointly Governed Organizations

The Township participates in Joint Economic Development Districts and jointly governed organizations. Notes 10 and 11, to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Township 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 Township 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 Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road and Bridge Fund The fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Police District Fund This fund receives property tax money in order to provide protection to Township residents.

Special Levy - Fire Fund This fund receives property tax money in order to operate the Township's fire department and emergency medical services.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (D) 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 Board of Trustees 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Deposits and Investments

The Township'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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Township 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 Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township 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 Township and the nonspendable 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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Township 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.

Note 3 – 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	\$1,328,796	\$1,693,517	\$364,721
Special Revenue	10,756,775	11,556,900	800,125
Capital Projects	95,238	95,238	0
Permanent	3	1	(2)
Total	\$12,180,812	\$13,345,656	\$1,164,844

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,509,411	\$1,939,737	\$569,674
Special Revenue	16,258,259	13,493,013	2,765,246
Debt Service	504,562	504,562	0
Capital Projects	95,238	95,238	0
Total	\$19,367,470	\$16,032,550	\$3,334,920

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

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

	2021
Demand deposits	\$796,774
Other time deposits (savings and NOW accounts)	2,180
Total deposits	798,954
U.S. Treasury Notes	16,356,998
STAR Ohio	45,899
Total investments	16,402,897
<i>Total carrying amount of deposits and investments</i>	<i>\$17,201,851</i>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

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

Investments

The Federal Reserve holds the Township’s U.S. Treasury Notes in book-entry form by, in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Note 6 – Risk Management

Workers’ Compensation

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

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM’s property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020 (the most current information available).

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members’ Equity	<u>\$ 5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

The Township’s firefighters and all emergency medical staff contribute Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
General Obligation Police Bond	\$635,000	2%
General Obligation Fire Bond	1,665,000	1.79%
Total	\$2,300,000	

The Township issued general obligation bonds to finance the construction of a new police station. These bonds were refinanced in 2013 for 10 years, maturing in 2023 in the amount of \$3,165,000 at an interest rate of 2%.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Township issued general obligation bonds in 2012 to finance the renovation and addition to its fire station. These bonds were refinanced in 2021 for 12 years, maturing in 2032 in the amount of \$1,806,000 at an interest rate 1.79%.

Amortization

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

Year Ending December 31:	General Obligation Police Bonds	General Obligation Fire Bonds	Total General Obligation Bonds
2022	\$327,700	\$172,804	\$500,504
2023	326,400	175,244	501,644
2024	0	171,595	171,595
2025	0	173,963	173,963
2026	0	170,243	170,243
2027-2031	0	846,791	846,791
2032	0	134,363	134,363
Total	\$654,100	\$1,845,003	\$2,499,103

Note 10 – Joint Economic Development Districts

Bainbridge Township – City of Solon Joint Economic Development District

In 2006, the Township entered into a contract with the neighboring City of Solon (the City) to form the Bainbridge Township-City of Solon Joint Economic Development District (JEDD). The JEDD is entirely located in the Township, and its primary purpose is to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with the City to administer this income tax.

The JEDD agreement requires the Township and the City share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD’s Maintenance and Improvement Fund for infrastructure related projects. Financial information for the JEDD can be obtained by contacting the City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

Bainbridge Township – City of Aurora Joint Economic Development District

In 2020, the Township entered into a contract with neighboring City of Aurora (Aurora) to form the Bainbridge Township – City of Aurora Joint Economic Development District (the District). The District is entirely located in the Township, and its primary purpose is to promote regional growth and economic development. The District Board has not yet been established, but upon initiation, will contract with Aurora to administer this income tax. The taxing authority has not yet been approved.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Jointly Governed Organizations

Chagrin/Southeast Council of Governments

The Township is a member of the Chagrin/Southeast Council of Governments (the Council). The Council operates the Chagrin/Southeast HazMat Response Team (the Team). The Team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2021, the Township contributed \$3,500 to the Council. Financial information can be obtained by contacting the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, Ohio, 44139.

Northeast Ohio Public Energy Council

The Township is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Township did not contribute to NOPEC during 2021. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Valley Enforcement Regional Council of Governments

The Township is a member of Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. During 2021, the Township contributed \$10,000 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Blvd., Pepper Pike, Ohio, 44124.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$0	\$0	\$1,734	\$1,734
Outstanding Encumbrances	85,150	468,651	0	553,801
Total	<u>\$85,150</u>	<u>\$468,651</u>	<u>\$1,734</u>	<u>\$555,535</u>

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

Note 13 – 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 Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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Bainbridge Township
Geauga County, Ohio
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	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$788,454	\$8,980,941	\$0	\$0	\$0	\$9,769,395
Charges for Services	7,414	374,341	0	0	0	381,755
Licenses, Permits and Fees	48,167	18,700	0	0	0	66,867
Fines and Forfeitures	10,470	0	0	0	0	10,470
Intergovernmental	515,567	2,017,771	0	0	0	2,533,338
Special Assessments	0	9,028	0	0	0	9,028
Earnings on Investments	283,339	0	0	0	2	283,341
Miscellaneous	166,008	141,016	0	0	0	307,024
<i>Total Cash Receipts</i>	<u>1,819,419</u>	<u>11,541,797</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>13,361,218</u>
Cash Disbursements						
Current:						
General Government	823,022	0	0	0	0	823,022
Public Safety	0	6,358,842	0	0	0	6,358,842
Public Works	39,123	3,158,705	0	0	0	3,197,828
Health	1,267	44,493	0	0	0	45,760
Conservation-Recreation	392,535	0	0	0	0	392,535
Other	0	599,497	0	0	0	599,497
Capital Outlay	71,336	615,766	0	0	0	687,102
Debt Service:						
Principal Retirement	0	0	2,208,075	0	0	2,208,075
Interest and Fiscal Charges	0	0	49,498	0	0	49,498
<i>Total Cash Disbursements</i>	<u>1,327,283</u>	<u>10,777,303</u>	<u>2,257,573</u>	<u>0</u>	<u>0</u>	<u>14,362,159</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>492,136</u>	<u>764,494</u>	<u>(2,257,573)</u>	<u>0</u>	<u>2</u>	<u>(1,000,941)</u>
Other Financing Receipts (Disbursements)						
Sale of Refunding Bonds	0	0	1,806,925	0	0	1,806,925
Premium and Accrued Interest on Debt	0	0	123	0	0	123
Payment to Refunded Bond Escrow Agent	0	0	(27,000)	0	0	(27,000)
Transfers In	0	142,263	0	0	0	142,263
Transfers Out	(142,263)	0	0	0	0	(142,263)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(142,263)</u>	<u>142,263</u>	<u>1,780,048</u>	<u>0</u>	<u>0</u>	<u>1,780,048</u>
<i>Net Change in Fund Cash Balances</i>	349,873	906,757	(477,525)	0	2	779,107
<i>Fund Cash Balances, January 1</i>	2,010,599	12,270,551	3,999,618	272,801	2,268	18,555,837
<i>Fund Cash Balances, December 31</i>	<u>\$2,360,472</u>	<u>\$13,177,308</u>	<u>\$3,522,093</u>	<u>\$272,801</u>	<u>\$2,270</u>	<u>\$19,334,944</u>

See accompanying notes to the basic financial statements

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Bainbridge Township, Geauga County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with LifeForce Management to provide ambulance services.

Joint Economic Development Districts and Jointly Governed Organizations

The Township participates in Joint Economic Development Districts and jointly governed organizations. Notes 10 and 11, to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Township 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 Township 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 Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road and Bridge Fund The fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Police District Fund This fund receives property tax money in order to provide protection to Township residents.

Special Levy - Fire Fund This fund receives property tax money in order to operate the Township's fire department and emergency medical services.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (D) 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 Board of Trustees 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Deposits and Investments

The Township'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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Township 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 Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township 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 Township and the nonspendable 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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Township 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.

Note 3 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,354,934	\$1,819,419	\$464,485
Special Revenue	10,965,981	11,684,060	718,079
Debt Service	0	1,807,048	1,807,048
Permanent	3	2	(1)
Total	\$12,320,918	\$15,310,529	\$2,989,611

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,125,689	\$1,660,257	\$465,432
Special Revenue	16,149,793	12,590,479	3,559,314
Debt Service	2,284,573	2,284,573	0
Total	\$20,560,055	\$16,535,309	\$4,024,746

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

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

	2020
Demand deposits	\$1,180,056
Other time deposits (savings and NOW accounts)	2,179
Total deposits	1,182,235
U.S. Treasury Notes	16,208,231
STAR Ohio	1,944,478
Total investments	18,152,709
<i>Total carrying amount of deposits and investments</i>	\$19,334,944

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

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

Investments

The Federal Reserve holds the Township’s U.S. Treasury Notes in book-entry form by, in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Note 6 – Risk Management

Workers’ Compensation

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

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM’s property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members’ Equity	<u>\$ 5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

The Township’s firefighters and all emergency medical staff contribute Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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:

	Principal	Interest Rate
General Obligation Police Bond	\$945,000	2%
General Obligation Fire Bond	1,806,000	1.79%
Total	\$2,751,000	

The Township issued general obligation bonds to finance the construction of a new police station. These bonds were refinanced in 2013 for 10 years, maturing in 2023 in the amount of \$3,165,000 at an interest rate of 2%.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Township issued general obligation bonds in 2012 to finance the renovation and addition to its fire station. These bonds were refinanced in 2020 for 12 years, maturing in 2032 in the amount of \$1,806,000 at an interest rate 1.79%.

Amortization

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

Year Ending December 31:	General Obligation Police Bonds	General Obligation Fire Bonds	Total General Obligation Bonds
2021	\$328,900	\$175,662	\$504,562
2022	327,700	172,804	500,504
2023	326,400	175,244	501,644
2024	0	171,595	171,595
2025	0	173,963	173,963
2026-2030	0	847,736	847,736
2031-2032	0	303,661	303,661
Total	\$983,000	\$2,020,665	\$3,003,665

Note 10 – Joint Economic Development Districts

Bainbridge Township – City of Solon Joint Economic Development District

In 2006, the Township entered into a contract with the neighboring City of Solon (Solon) to form the Bainbridge Township – City of Solon Joint Economic Development District (the JEDD). The JEDD is entirely located in the Township, and its primary purpose is to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with Solon to administer this income tax.

The JEDD agreement requires the Township and Solon share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD’s Maintenance and Improvement Fund for infrastructure related projects. Financial information for the JEDD can be obtained by contacting the City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

Bainbridge Township – City of Aurora Joint Economic Development District

In 2020, the Township entered into a contract with neighboring City of Aurora (Aurora) to form the Bainbridge Township – City of Aurora Joint Economic Development District (the District). The District is entirely located in the Township, and its primary purpose is to promote regional growth and economic development. The District Board has not yet been established, but upon initiation, will contract with Aurora to administer this income tax. The taxing authority has not yet been approved.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 11 – Jointly Governed Organizations

Chagrin/Southeast Council of Governments

The Township is a member of the Chagrin/Southeast Council of Governments (the Council). The Council operates the Chagrin/Southeast HazMat Response Team (the Team). The Team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2020, the Township contributed \$3,500 to the Council. Financial information can be obtained by contacting the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, Ohio, 44139.

Northeast Ohio Public Energy Council

The Township is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Township did not contribute to NOPEC during 2020. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Valley Enforcement Regional Council of Governments

The Township is a member of Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. During 2020, the Township contributed \$10,000 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Blvd., Pepper Pike, Ohio, 44124.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$0	\$0	\$1,734	\$1,734
Outstanding Encumbrances	190,711	1,813,176	0	2,003,887
Total	<u>\$190,711</u>	<u>\$1,813,176</u>	<u>\$1,734</u>	<u>\$2,005,621</u>

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

Note 13 – 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 Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

Bainbridge Township
Geauga County
17826 Chillicothe Road
Chagrin Falls, Ohio 44023

To the Board of Trustees:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Bainbridge Township, Geauga County, (the Township) and have issued our report thereon dated May 24, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the related emergency measures which may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

OHIO AUDITOR OF STATE KEITH FABER



BAINBRIDGE TOWNSHIP

GEAUGA 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 6/7/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov