

BAINBRIDGE TOWNSHIP

GEAUGA COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022





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Columbus, Ohio 43215
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Board of Trustees
Bainbridge Township
17826 Chillicothe Rd
Chagrin Falls, OH 44023

We have reviewed the *Independent Auditor's Report* of the Bainbridge Township, Geauga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. 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 Bainbridge Township is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 05, 2024

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**BAINBRIDGE TOWNSHIP
GEAUGA COUNTY
For the years ended December 31, 2023 and 2022**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1 - 3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances – Regulatory Cash Basis- All Governmental Fund Types For the Year Ended December 31, 2023	4
Notes to the Financial Statements – For the Year Ended December 31, 2023	5-15
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances – Regulatory Cash Basis- All Governmental Fund Types For the Year Ended December 31, 2022	16
Notes to the Financial Statements – For the Year Ended December 31, 2022	17-27
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	28-29

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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 as of and for the years ended December 31, 2023 and 2022, 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 as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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.

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

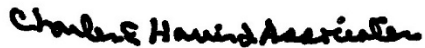
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 11, 2024, 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.



Charles E. Harris & Associates, Inc.
May 11, 2024

Bainbridge Township
Geauga County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts						
Property and Other Local Taxes	\$ 879,699	\$ 9,242,544	\$ -	\$ -	\$ -	\$ 10,122,243
Charges for Services	8,647	477,995	-	-	-	486,642
Licenses, Permits and Fees	62,682	19,901	-	-	-	82,583
Fines and Forfeitures	8,120	-	-	-	-	8,120
Intergovernmental	489,718	1,426,723	-	-	-	1,916,441
Special Assessments	-	9,937	-	-	-	9,937
Earnings on Investments	437,519	-	-	-	2	437,521
Miscellaneous	80,875	78,975	-	936,582	-	1,096,432
Total Cash Receipts	<u>1,967,260</u>	<u>11,256,075</u>	<u>-</u>	<u>936,582</u>	<u>2</u>	<u>14,159,919</u>
Cash Disbursements						
Current Disbursements:						
General Government	1,077,329	-	-	-	-	1,077,329
Public Safety	-	8,365,934	-	-	-	8,365,934
Public Works	42,717	3,967,374	-	-	-	4,010,091
Health	-	33,507	-	-	-	33,507
Conservation-Recreation	483,678	-	-	-	-	483,678
Capital Outlay	36,471	748,461	-	72,946	-	857,878
Debt Service:						
Principal Retirement	-	-	467,999	-	-	467,999
Interest and Fiscal Charges	-	-	33,644	-	-	33,644
Total Cash Disbursements	<u>1,640,195</u>	<u>13,115,276</u>	<u>501,643</u>	<u>72,946</u>	<u>-</u>	<u>15,330,060</u>
Excess Receipts Over (Under) Disbursements	327,065	(1,859,201)	(501,643)	863,636	2	(1,170,141)
Other Financing Receipts (Disbursements)						
Transfers-In	-	59,207	-	-	-	59,207
Transfers-Out	(59,207)	-	-	-	-	(59,207)
Total Other Financing Receipts (Disbursements)	<u>(59,207)</u>	<u>59,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balance	267,858	(1,799,994)	(501,643)	863,636	2	(1,170,141)
Fund Cash Balances, January 1, Restated	<u>2,190,011</u>	<u>10,388,007</u>	<u>2,517,027</u>	<u>300,495</u>	<u>2,270</u>	<u>15,397,810</u>
Fund Cash Balances, December 31	<u>\$ 2,457,869</u>	<u>\$ 8,588,013</u>	<u>\$ 2,015,384</u>	<u>\$ 1,164,131</u>	<u>\$ 2,272</u>	<u>\$ 14,227,669</u>

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in Jointly Governed Organizations and a Public Entity Risk Pool. Notes 6 and 10 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 - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police District Fund - This fund receives property tax money to provide police protection to the Township residents.

Special Levy – Fire Fund - This fund receives property tax money which is used 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, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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

General Obligation Fire Bond Fund - This fund is utilized to pay down the Fire Bond that was used to finance the renovation/addition to the fire station.

General Obligation Police Bond Fund - This fund is utilized to pay down the Police Bond that was used to finance the construction of the new police station.

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

Police Station Construction The Township uses these funds for improvements to the police station.

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 Funds - 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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 and 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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 2023 budgetary activity appears in Note 3.

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.

SBITAs

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 11.

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,543,872	\$1,967,260	\$423,388
Special Revenue	10,846,417	11,315,282	468,865
Debt Service	0	0	0
Capital Projects	539,503	936,582	397,079
Permanent	1	2	1

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity (continued)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$2,287,822	\$1,925,042	\$362,780
Special Revenue	16,532,157	13,773,592	2,758,565
Debt Service	501,646	501,643	3
Capital Projects	219,201	72,946	146,255
Permanent	0	0	0

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:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$998,781
Other time deposits (savings -Bequest and NOW accounts)	2,182
Total deposits	1,000,963
U.S. Treasury Notes	12,843,567
STAR Ohio	383,139
Total investments	13,226,706
<i>Total carrying amount of deposits and investments</i>	\$14,227,669

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 withholding. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

Investments

The Federal Reserve holds the Township’s U.S. Treasury Notes in book-entry form, 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 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 Township.

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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 - Risk Management (continued)

remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022 (the latest information available).

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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% and 13% for Law Enforcement of their gross salaries and the Township contributed an amount equaling 14% and 18.1%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2023.

Social Security

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

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

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
General Obligation Fire Bond	\$1,374,001	1.79%
Finance Purchases	10,678	0.00%
Total	\$1,384,679	

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

Financed Purchases

The Township has entered into financed purchases agreements for copier equipment for the Police, Zoning, Fire and Road Departments where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$8,976 to pay these costs for the year ended December 31, 2023.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (continued)

Amortization

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

Year ending December 31:	Finance Purchases	General Obligation Fire Bond
2024	\$6,237	\$171,595
2025	3,300	173,963
2026	1,141	170,243
2027	-	171,540
2028	-	167,765
2029-2032	-	641,849
Total	<u>\$10,678</u>	<u>\$1,496,955</u>

Note 10 - Jointly Governed Organizations

In 2006, Bainbridge Township entered into a contract with the neighboring City of Solon to form the Bainbridge Township-City of Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was 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 of Solon to administer this income tax.

The JEDD agreement requires the City of Solon and Bainbridge Township to 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 City of Solon, 34200 Bainbridge Road, Solon, OH 44139.

In 2020, Bainbridge Township entered into a contract with neighboring City of Aurora to form the Bainbridge Township – City of Aurora Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, Geauga County, and its primary purpose was to promote regional growth and economic development. The agreement states that at the first Board meeting the JEDD Board will adopt a resolution to levy an income tax of two percent based on the income of persons working in or residing within the District. The JEDD Board, which has not yet been established, will also contract with the City of Aurora to administer this income tax. At this time no taxing authority has been approved.

The JEDD agreement requires the City of Aurora and Bainbridge Township to share the income tax receipts 50/50 after income tax administration costs, a 25 percent deduction for the JEDD’s Maintenance and Improvement Fund for infrastructure related projects, and 25% to the City to be placed into a Utility Fund. Financial information for the JEDD can be obtained by contacting City of Aurora, 130 S. Chillicothe Road, Aurora, OH 44202-7845.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 - Jointly Governed Organizations (continued)

Chagrin/Southeast Council of Governments: The Chagrin/Southeast Council of Governments is a council of governments that oversees the handling of hazardous materials in the region. Bainbridge Township is a member of 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 2023 Bainbridge Township contributed \$3,500.00 to the Council. Financial information can be obtained by contacting the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, OH 44139.

Northeast Ohio Pubic Energy Council: NOPEC is a regional council of governments formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. 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. Bainbridge Township did not contribute to NOPEC during 2023. Financial information can be obtained by contacting NOPEC, 31360 Solon Road #33, Solon, OH 44139.

Valley Enforcement Regional Council of Governments: Bainbridge 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 2023 Bainbridge Township contributed \$10,000.00 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Blvd., Pepper Pike, OH 44124.

Note 11 – Fund Balances

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances (continued)

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ 1,734	\$ 1,734
Outstanding Encumbrances	225,640	658,316	0	883,956
Total	\$225,640	\$658,316	\$1,734	\$885,690

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 include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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 ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 13 – Prior period adjustment

The General Fund balance was adjusted for a \$71 voided check which restated the December 31, 2022 balance from \$2,189,940 to \$2,190,011.

Bainbridge Township
Geauga County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts						
Property and Other Local Taxes	\$ 886,702	\$ 9,308,902	\$ -	\$ -	\$ -	\$ 10,195,604
Charges for Services	13,798	461,078	-	-	-	474,876
Licenses, Permits and Fees	81,033	24,376	-	-	-	105,409
Fines and Forfeitures	12,720	-	-	-	-	12,720
Intergovernmental	399,225	1,969,043	-	400,000	-	2,768,268
Special Assessments	-	8,707	-	-	-	8,707
Earnings on Investments	187,894	-	-	-	-	187,894
Miscellaneous	121,133	190,735	-	28,316	-	340,184
Total Cash Receipts	1,702,505	11,962,841	-	428,316	-	14,093,662
Cash Disbursements						
Current Disbursements:						
General Government	1,087,845	-	-	-	-	1,087,845
Public Safety	-	8,163,778	-	-	-	8,163,778
Public Works	41,030	4,619,345	-	-	-	4,660,375
Health	-	31,103	-	-	-	31,103
Conservation-Recreation	449,372	-	-	-	-	449,372
Capital Outlay	82,334	523,424	-	400,622	-	1,006,380
Debt Service:						
Principal Retirement	-	-	458,000	-	-	458,000
Interest and Fiscal Charges	-	-	42,504	-	-	42,504
Total Cash Disbursements	1,660,581	13,337,650	500,504	400,622	-	15,899,357
Excess Receipts Over (Under) Disbursements	41,924	(1,374,809)	(500,504)	27,694	-	(1,805,695)
Other Financing Receipts (Disbursements)						
Transfers-In	-	51,486	-	-	-	51,486
Transfers-Out	(51,486)	-	-	-	-	(51,486)
Total Other Financing Receipts (Disbursements)	(51,486)	51,486	-	-	-	-
Net Change in Fund Cash Balance	(9,562)	(1,323,323)	(500,504)	27,694	-	(1,805,695)
Fund Cash Balances, January 1, Restated	2,199,502	11,711,330	3,017,531	272,801	2,270	17,203,434
Fund Cash Balances, December 31	\$ 2,189,940	\$ 10,388,007	\$ 2,517,027	\$ 300,495	\$ 2,270	\$ 15,397,739

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in Jointly Governed Organizations and a Public Entity Risk Pool. Notes 6 and 10 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 - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police District Fund - This fund receives property tax money to provide police protection to the Township residents.

Special Levy – Fire Fund - This fund receives property tax money which is used 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, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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

General Obligation Fire Bond Fund - This fund is utilized to pay down the Fire Bond that was used to finance the renovation/addition to the fire station.

General Obligation Police Bond Fund - This fund is utilized to pay down the Police Bond that was used to finance the construction of the new police station.

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

Issue II Fund The Township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 and 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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 2022 budgetary activity appears in Note 3.

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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,437,287	\$1,702,505	\$265,218
Special Revenue	10,704,804	12,014,327	1,309,523
Debt Service	0	0	0
Capital Projects	409,201	428,316	19,115
Permanent	2	0	(2)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$2,607,341	\$1,863,588	\$743,753
Special Revenue	17,007,105	14,355,427	2,651,678
Debt Service	500,504	500,504	0
Capital Projects	439,401	430,823	8,578
Permanent	0	0	0

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$804,766
Other time deposits (savings -Bequest and NOW accounts)	2,181
Total deposits	806,947
U.S. Treasury Notes	14,519,766
STAR Ohio	71,026
Total investments	14,590,792
<i>Total carrying amount of deposits and investments</i>	\$15,397,739

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 withholding. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository 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, 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 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Property Taxes (continued)

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

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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	(18,158,351)
Members' Equity	<u>\$ 3,503,940</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, 2022

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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% and 13% for Law Enforcement of their gross salaries and the Township contributed an amount equaling 14% and 18.1%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2022.

Social Security

Township's 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 Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
General Obligation Fire Bond	\$1,522,000	1.79%
General Obligation Police Bond	320,000	2%
Financed Purchases	19,654	0.00%
Total	\$1,861,654	

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

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

Financed Purchases

The Township has entered into financed purchases agreements for copier equipment for the Police, Zoning, Fire and Road Departments where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$8,976 to pay these costs for the year ended December 31, 2022.

Amortization

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

	Finance Purchases	General Obligation Fire Bond	General Obligation Police Bond
Year ending December 31:			
2023	\$8,976	\$175,244	\$326,400
2024	\$6,237	\$171,595	-
2025	\$3,300	\$173,963	-
2026	\$1,141	\$170,243	-
2027	-	\$171,540	-
2028-2032	-	\$809,614	-
Total	\$19,654	\$1,672,199	\$326,400

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 - Jointly Governed Organizations

In 2006, Bainbridge Township entered into a contract with neighboring City of Solon to form the Bainbridge Township-City of Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was 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 of Solon to administer this income tax.

The JEDD agreement requires the City of Solon and Bainbridge Township to 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 City of Solon, 34200 Bainbridge Road, Solon, OH 44139.

In 2020, Bainbridge Township entered into a contract with neighboring City of Aurora to form the Bainbridge Township – City of Aurora Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, Geauga County, and its primary purpose was to promote regional growth and economic development. The agreement states that at the first Board meeting the JEDD Board will adopt a resolution to levy an income tax of two percent based on the income of persons working in or residing within the District. The JEDD Board, which has not yet been established, will also contract with the City of Aurora to administer this income tax. At this time no taxing authority has been approved.

The JEDD agreement requires the City of Aurora and Bainbridge Township to share the income tax receipts 50/50 after income tax administration costs, a 25 percent deduction for the JEDD's Maintenance and Improvement Fund for infrastructure related projects, and 25% to the City to be placed into a Utility Fund. Financial information for the JEDD can be obtained by contacting City of Aurora, 130 S. Chillicothe Road, Aurora, OH 44202-7845.

Chagrin/Southeast Council of Governments: The Chagrin/Southeast Council of Governments is a council of governments that oversees the handling of hazardous materials in the region. Bainbridge Township is a member of 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 2022 Bainbridge Township contributed \$3,500.00 to the Council. Financial information can be obtained by contacting the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, OH 44139.

Northeast Ohio Public Energy Council: NOPEC is a regional council of governments formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. 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.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 - Jointly Governed Organizations (continued)

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. Bainbridge Township did not contribute to NOPEC during 2022. Financial information can be obtained by contacting NOPEC, 31360 Solon Road #33, Solon, OH 44139.

Valley Enforcement Regional Council of Governments: Bainbridge 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 2022 Bainbridge Township contributed \$10,000.00 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Blvd., Pepper Pike, OH 44124.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ 1,734	\$ 1,734
Outstanding Encumbrances	151,521	1,017,777	30,201	0	1,199,499
Total	\$151,521	\$1,017,777	\$30,201	\$1,734	\$1,201,233

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 include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Bainbridge Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 ended in April, 2023. During 2022, 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 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.

Note 13 – Prior period adjustment

The General Fund balance was adjusted for a \$100 voided check which restated the December 31, 2021 balance from \$2,199,402 to \$2,199,502. The Special Revenue funds were adjusted for a \$1,484 voided check which restated the December 31, 2021 balance from \$11,709,846 to \$11,711,330.

**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 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 fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements of Bainbridge Township, Geauga County, (the Township) and have issued our report thereon dated May 11, 2024, wherein we noted the Township 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 Township'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 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.

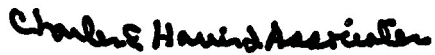
Report on Compliance and Other Matters

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*.

However, we noted a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 11, 2024.

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.



Charles E. Harris & Associates, Inc.
May 11, 2024

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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 6/18/2024

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

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