

VILLAGE OF BAINBRIDGE
ROSS COUNTY

FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

Whited Seigneur Sams & Rahe
Certified Public Accountants

VILLAGE OF BAINBRIDGE

ROSS COUNTY

REGULAR AUDIT

JANUARY 1, 1998 – DECEMBER 31, 1999

VILLAGE OF BAINBRIDGE
ROSS COUNTY

DECEMBER 31, 1999 AND DECEMBER 31, 1998

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Members of Council
Village of Bainbridge
118 East Main Street
Bainbridge, Ohio 45612

We have reviewed the independent auditor's report of the Village of Bainbridge, Ross County, prepared by Whited, Seigneur, Sams & Rahe, for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

June 13, 2000

Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

JERRY B. WHITED, CPA
DONALD R. SEIGNEUR, CPA

JOHN R. SAMS, CPA
BARRY L. RAHE, CPA

April 19, 2000

Members of Council
Village of Bainbridge
Ross County
118 East Main Street
Bainbridge, Ohio 45612

Independent Auditor's Report

We have audited the accompanying financial statements of Village of Bainbridge, Ross County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion,

As described in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Bainbridge, Ross County, Ohio, as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also issued our report dated April 19, 2000, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs

Whited Seigneur Sams & Rahe



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**VILLAGE OF BAINBRIDGE
ROSS COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total (Memorandum Only)</u> |
|--|-------------------|----------------------------|-------------------------|-----------------------------|--|
| Cash Receipts: | | | | | |
| Local Taxes | \$ 16,813 | \$ 15,003 | \$ 0 | \$ 0 | \$ 31,816 |
| Intergovernmental | 61,211 | 41,132 | 0 | 0 | 102,343 |
| Charges for Services | 18,000 | 0 | 0 | 0 | 18,000 |
| Interest | 11,269 | 0 | 0 | 0 | 11,269 |
| Miscellaneous | <u>2,880</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,880</u> |
| Total Cash Receipts | <u>110,173</u> | <u>56,135</u> | <u>0</u> | <u>0</u> | <u>166,308</u> |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 31,448 | 9,436 | 0 | 0 | 40,884 |
| Leisure Time Activities | 284 | 0 | 0 | 0 | 284 |
| Transportation | 0 | 11,880 | 0 | 0 | 11,880 |
| General Government | 29,471 | 4,042 | 0 | 0 | 33,513 |
| Capital Outlay | <u>32,298</u> | <u>33,323</u> | <u>0</u> | <u>0</u> | <u>65,621</u> |
| Total Cash Disbursements | <u>93,501</u> | <u>58,681</u> | <u>0</u> | <u>0</u> | <u>152,182</u> |
| Total Cash Receipts Over (Under) Cash Disbursements | 16,672 | (2,546) | 0 | 0 | 14,126 |
| Fund Cash Balances, January 1, 1999 | <u>130,277</u> | <u>102,659</u> | <u>16</u> | <u>29,228</u> | <u>262,180</u> |
| Fund Cash Balances, December 31, 1999 | <u>\$ 146,949</u> | <u>\$ 100,113</u> | <u>\$ 16</u> | <u>\$ 29,228</u> | <u>\$ 276,306</u> |

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES – PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Enterprise</u> |
|--|-------------------|
| Operating Cash Receipts: | |
| Charges for Services | \$ <u>151,223</u> |
| Total Operating Cash Receipts | <u>151,223</u> |
| Operating Cash Disbursements: | |
| Personal Services | 53,344 |
| Employee Benefits | 13,169 |
| Contractual Services | 24,442 |
| Supplies and Materials | 8,996 |
| Capital Outlay | <u>30,431</u> |
| Total Operating Cash Disbursements | <u>130,382</u> |
| Operating Income | <u>20,841</u> |
| Non-Operating Cash Receipts: | |
| Sales of Fixed Assets | <u>4,003</u> |
| Total Non-Operating Cash Receipts | <u>4,003</u> |
| Non-Operating Cash Disbursements: | |
| Debt Services | 37,072 |
| Other Non-Operating Cash Disbursements | <u>217</u> |
| Total Non-Operating Cash Disbursements | <u>37,289</u> |
| Net Receipts (Under) Disbursements | (12,445) |
| Fund Cash Balances, January 1, 1999 | <u>153,685</u> |
| Fund Cash Balances, December 31, 1999 | <u>\$ 141,240</u> |

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total (Memorandum Only)</u> |
|--|-------------------|----------------------------|-------------------------|-----------------------------|--|
| Cash Receipts: | | | | | |
| Local Taxes | \$ 17,201 | \$ 15,812 | \$ 0 | \$ 0 | \$ 33,013 |
| Intergovernmental | 66,621 | 70,208 | 0 | 9,155 | 145,984 |
| Charges for Services | 18,000 | 0 | 0 | 0 | 18,000 |
| Interest | 5,514 | 0 | 0 | 0 | 5,514 |
| Miscellaneous | <u>22,579</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>22,579</u> |
| Total Cash Receipts | <u>129,915</u> | <u>86,020</u> | <u>0</u> | <u>9,155</u> | <u>225,090</u> |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 29,570 | 14,074 | 0 | 0 | 43,644 |
| Leisure Time Activities | 1,867 | 0 | 0 | 0 | 1,867 |
| Transportation | 0 | 36,931 | 0 | 0 | 36,931 |
| General Government | <u>29,430</u> | <u>303</u> | <u>0</u> | <u>0</u> | <u>29,733</u> |
| Total Cash Disbursements | <u>60,867</u> | <u>51,308</u> | <u>0</u> | <u>0</u> | <u>112,175</u> |
| Total Cash Receipts Over Cash Disbursements | 69,048 | 34,712 | 0 | 9,155 | 112,915 |
| Fund Cash Balances, January 1, 1998 | <u>61,229</u> | <u>67,947</u> | <u>16</u> | <u>20,073</u> | <u>149,265</u> |
| Fund Cash Balances, December 31, 1998 | <u>\$ 130,277</u> | <u>\$ 102,659</u> | <u>\$ 16</u> | <u>\$ 29,228</u> | <u>\$ 262,180</u> |

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES – PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>Enterprise</u> |
|--|-------------------|
| Operating Cash Receipts: | |
| Charges for Services | \$ 151,261 |
| Miscellaneous | <u>0</u> |
| Total Operating Cash Receipts | <u>151,261</u> |
| Operating Cash Disbursements: | |
| Personal Services | 51,823 |
| Employee Benefits | 10,489 |
| Contractual Services | 22,352 |
| Supplies and Materials | 12,212 |
| Capital Outlay | <u>0</u> |
| Total Operating Cash Disbursements | <u>96,876</u> |
| Operating Income | <u>54,385</u> |
| Non-Operating Cash Disbursements: | |
| Debt Services | 17,846 |
| Other Non-Operating Cash Disbursements | <u>127</u> |
| Total Non-Operating Cash Disbursements | <u>17,973</u> |
| Net Receipts Over Disbursements | 36,412 |
| Fund Cash Balances, January 1, 1998 | <u>117,273</u> |
| Fund Cash Balances, December 31, 1998 | <u>\$ 153,685</u> |

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Village of Bainbridge, Ross County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and fire and ambulance services. The Ross County Sheriff's department provides security of persons and property.

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

Cash and Investments

The Village places all of its funds in demand deposits.

Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds – These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Fund Accounting – (continued)

Cops Fast Fund – Received state grant funds, donations and general fund transfers to provide police services to the community prior to the termination of the department in 1998.

Debt Service Funds – The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

Capital Projects Funds – These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital projects fund:

Water Line Extension – Received various grant funds and loan for the construction of new water lines throughout the Village.

Enterprise Funds – These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be covered through user charges. The Village had the following significant enterprise fund:

Water Fund – Receives charges for services from residents to cover the cost of providing water/sewer utilities.

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 Council Members must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Property, Plant and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

NOTE 2 - EQUITY IN POOLED CASH

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash and investments at December 31, was as follows:

| | <u>1999</u> | <u>1998</u> |
|-----------------|-------------------|-------------------|
| Demand Deposits | <u>\$ 417,546</u> | <u>\$ 415,865</u> |
| Total Deposits | <u>\$ 417,546</u> | <u>\$ 415,865</u> |

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 was as follows:

1999 Budgeted vs. Actual Receipts

| Fund Type | <u>Receipts</u> | | |
|------------------|-------------------|-------------------|-----------------|
| | <u>Budgeted</u> | <u>Actual</u> | <u>Variance</u> |
| General | \$ 111,557 | \$ 110,173 | \$ (1,384) |
| Special Revenue | 54,751 | 56,135 | 1,384 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 |
| Enterprise | 155,226 | 155,226 | 0 |
| Total | <u>\$ 321,534</u> | <u>\$ 321,534</u> | <u>\$ 0</u> |

1999 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | <u>Appropriation</u> | <u>Budgetary</u> | <u>Variance</u> |
|------------------|----------------------|---------------------|-------------------|
| | <u>Authority</u> | <u>Expenditures</u> | |
| General | \$ 147,478 | \$ 93,501 | \$ 53,977 |
| Special Revenue | 122,885 | 58,681 | 64,204 |
| Debt Service | 16 | 0 | 16 |
| Capital Projects | 14,000 | 0 | 14,000 |
| Enterprise | 248,416 | 167,671 | 80,745 |
| Total | <u>\$ 532,795</u> | <u>\$ 319,853</u> | <u>\$ 212,942</u> |

1998 Budgeted vs. Actual Receipts

| Fund Type | <u>Receipts</u> | | |
|------------------|-------------------|-------------------|------------------|
| | <u>Budgeted</u> | <u>Actual</u> | <u>Variance</u> |
| General | \$ 82,460 | \$ 129,915 | \$ 47,455 |
| Special Revenue | 84,373 | 86,020 | 1,647 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 4,500 | 9,155 | 4,655 |
| Enterprise | 133,507 | 151,261 | 17,754 |
| Total | <u>\$ 304,840</u> | <u>\$ 376,351</u> | <u>\$ 71,511</u> |

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 3 – BUDGETARY ACTIVITY – (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General | \$ 100,648 | \$ 60,867 | \$ 39,781 |
| Special Revenue | 151,857 | 51,308 | 100,549 |
| Debt Service | 16 | 0 | 16 |
| Capital Projects | 3,970 | 0 | 3,970 |
| Enterprise | <u>215,666</u> | <u>114,849</u> | <u>100,817</u> |
| Total | <u>\$ 472,157</u> | <u>\$ 227,024</u> | <u>\$ 245,133</u> |

NOTE 4 – PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

NOTE 5 – DEBT

Debt outstanding at December 31, 1999 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------------|------------------|----------------------|
| Ohio Water Development Authority Loan | \$ 61,458 | 6.32% |
| Total | <u>\$ 61,458</u> | |

The Ohio Water Development Authority (OWDA) loan relates to a water line extension project. The loans will be repaid in semiannual installments of \$2,623, including interest, over 25 years.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

NOTE 5 – DEBT – (Continued)

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

| Year Ending <u>December 31</u> | OWDA <u>Loan</u> |
|-----------------------------------|---------------------|
| 2000 | \$ 5,247 |
| 2001 | 5,247 |
| 2002 | 5,247 |
| 2003 | 5,247 |
| 2004 | 5,247 |
| Subsequent | <u>89,193</u> |
| Total | <u>\$115,428</u> |

NOTE 6 – RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

NOTE 7 – RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

JERRY B. WHITED, CPA
DONALD R. SEIGNEUR, CPA

JOHN R. SAMS, CPA
BARRY L. RAHE, CPA

April 19, 2000

Members of Council
Village of Bainbridge
Ross County
118 East Main Street
Bainbridge, Ohio 45612

Report on Compliance and on Internal Control Required by Government Auditing Standards

We have audited the financial statements of Village of Bainbridge, Ross County, Ohio (the Village) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 19, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1999-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village of Bainbridge in a separate letter dated April 19, 2000.

This report is intended for the information and use of management and Village council, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs

Whited Seigneur Sams & Rahe

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
RESOLUTION OF PRIOR AUDIT FINDINGS**

Finding Number 1997-307771-001

1. Ohio Rev. Code Section 149.351 states that property of the public office shall not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law under the rules adopted by the records commission provided for under Ohio Rev. Code Sections 149.38 to 149.42. The following documents for fiscal year 1996 and 1997 were not on file at the Village:

Competitive bidding for sale of 1990 Police Cruiser.
Utility pre-billing registers for 1996.
Manual records showing the accumulation and usage of sick leave and compensation leave for October through December 1997.
Various invoices to support disbursements.

For audit years 1998 and 1999, all records needed for audit purposes were on file and properly kept.

Finding Number 1997-307771-002

2. At December 31, 1997, the Village's cashbook fund balance was out of balance with the bank by \$9,127. The Village's ending cash balance per the UAN system is greater than what is reported by the bank. The Village did not reconcile the cash balance per the UAN system monthly during 1997. Failure to reconcile monthly could lead to loss or misappropriation of assets and could result in the Village making management decisions based on incorrect financial information.

Proper reconciliations have been performed since the end of the prior audit.

Finding Number 1997-307771-003

3. The Village has not completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Village operations. The Village utilized the City Pack accounting module for its water and sewer operations and leases the Auditor's of State's Uniform Accounting Network (UAN) system for its financial operations. The Village has their bank accounts with the Rockhold, Brown, and Company.

The information technology Year 2000 date problems is the absence of a two-digit century value within the date field of computer application programs, systems software, and data files that distinguish dates as either 19xx or 20xx. This problem can be attributed to the historically high costs of data storage and previous limitations. The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Village's operations as early as fiscal year 1999.

If the year 2000 cannot be read and processed effectively in all date fields, material transactions could be halted or erroneously processed. Some applications that rely on dates of any kind may simply stop working; or applications may continue to work, yet produce incorrect results.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY
RESOLUTION OF PRIOR AUDIT FINDINGS**

Finding Number 1997-30771-003 – (continued)

3. It is unknown what effects, if any, failing to remediate any such systems will have upon Village operations and financial reporting. Management cannot assure the Village is or will be Year 2000 ready or that parties with whom the Village does business will be year 2000 ready.

Village operations and financial reporting have continued to operate effectively. No material transactions have been halted or erroneously processed since January 1, 2000.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF BAINBRIDGE

ROSS COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JUNE 27, 2000