



**VILLAGE OF BAINBRIDGE
ROSS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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KEITH FABER



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Members of Council
Village of Bainbridge
P.O. Box 551
Bainbridge, Ohio 45612

We have reviewed the *Independent Auditor's Report* of the Village of Bainbridge, Ross County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2021

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VILLAGE OF BAINBRIDGE
ROSS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2019	4
Notes to the Financial Statements 2019	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018	12
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2018	13
Notes to the Financial Statements 2018	14
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Audit Findings.....	23
Schedule of Prior Audit Findings	26

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INDEPENDENT AUDITOR'S REPORT

June 29, 2021

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Bainbridge**, Ross County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Bainbridge, Ross County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 40,653	\$ 15,551	\$ 56,204
Intergovernmental	42,018	68,343	110,361
Charges for Services	4,900	16,675	21,575
Earnings on Investments	5,483	-	5,483
Miscellaneous	70,385	15,592	85,977
<i>Total Cash Receipts</i>	<u>163,439</u>	<u>116,161</u>	<u>279,600</u>
Cash Disbursements			
Current:			
Security of Persons and Property	38,167	12,393	50,560
Transportation	-	23,903	23,903
General Government	30,483	15,952	46,435
Capital Outlay	-	830	830
Debt Service:			
Principal Retirement	-	22,261	22,261
Interest and Fiscal Charges	-	4,393	4,393
<i>Total Cash Disbursements</i>	<u>68,650</u>	<u>79,732</u>	<u>148,382</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>94,789</u>	<u>36,429</u>	<u>131,218</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	4,240	-	4,240
Other Financing Uses	(26,347)	-	(26,347)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(22,107)</u>	<u>-</u>	<u>(22,107)</u>
<i>Net Change in Fund Cash Balances</i>	72,682	36,429	109,111
<i>Fund Cash Balances, January 1</i>	<u>13,648</u>	<u>311,733</u>	<u>325,381</u>
Fund Cash Balances, December 31			
Restricted	-	348,162	348,162
Assigned	86,330	-	86,330
<i>Fund Cash Balances, December 31</i>	<u>\$ 86,330</u>	<u>\$ 348,162</u>	<u>\$ 434,492</u>

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 219,374
<i>Total Operating Cash Receipts</i>	219,374
Operating Cash Disbursements	
Personal Services	85,819
Employee Fringe Benefits	34,032
Contractual Services	62,280
Supplies and Materials	21,206
<i>Total Operating Cash Disbursements</i>	203,337
<i>Operating Income (Loss)</i>	16,037
Non-Operating Receipts (Disbursements)	
Capital Outlay	(17,068)
Principal Retirement	(11,195)
Interest and Other Fiscal Charges	(2,566)
Other Financing Uses	(23,402)
<i>Total Non-Operating Receipts (Disbursements)</i>	(54,231)
<i>Net Change in Fund Cash Balances</i>	(38,194)
<i>Fund Cash Balances, January 1</i>	463,675
<i>Fund Cash Balances, December 31</i>	\$ 425,481

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 1 – Reporting Entity

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

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Fire Levy This fund receives tax money to provide fire protection to the Village, Paxton and Perry Townships.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

Solid Waste Collection The solid waste collection fund accounts for the provision of 10% of the water receipts being saved towards a sewer project. This procedure was discontinued in 2019 and a charge of \$1.69 was included on the monthly water bills and deposited in this fund towards cost of wastewater facility.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2019 budgetary activity appears in Note 4.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire Levy Fund by \$31,786 for the year ended December 31, 2019.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 167,677	\$ 167,679	\$ 2
Special Revenue	88,464	116,161	27,697
Enterprise	224,426	219,374	(5,052)
Total	\$ 480,567	\$ 503,214	\$ 22,647

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,105	\$ 94,997	\$ 18,108
Special Revenue	122,422	79,732	42,690
Enterprise	293,881	257,568	36,313
Total	\$ 529,408	\$ 435,021	\$ 94,387

Note 5 – Deposits

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

	2019
Demand deposits	\$ 607,185
Certificates of deposit	252,788
Total deposits	\$ 859,973

Deposits

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 6 – Taxes

Property Taxes

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

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

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

Note 7 – Risk Management

The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

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

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

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
1997 OWDA Loan #3140	\$ 9,576	6.32%
2006 OWDA Loan #4498	128,764	1.50%
Rosenbauer Fire Truck	97,513	3.67%
Total	\$ 235,853	

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

During 2006, the Village obtained an OWDA Water Storage Design loan and drew \$27,158, then effectively refinanced the loan at a lower interest rate by combining the loan with its OWDA Water Storage Improvements Project Loan (loan #4498); this new loan was awarded to the Village for an amount up to \$12,890 for the construction of water storage improvements.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019*

Note 10 – Debt (Continued)

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

Amortization

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

Year ending December 31:	OWDA #3140	OWDA #4498	Fire Truck
2020	\$ 2,512	\$ 4,419	\$ 26,654
2021	5,078	8,838	26,654
2022	2,566	8,838	26,654
2023	-	8,838	26,654
2024	-	8,838	-
2025-2029	-	44,190	-
2030-2034	-	44,190	-
2035-2039	-	17,676	-
Total	<u>\$ 10,156</u>	<u>\$ 145,827</u>	<u>\$ 106,616</u>

Note 11 – Contingent Liabilities

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

Note 12 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

In addition, the Village entered into a loan agreement (loan #8745) with the Ohio Water Development Authority (OWDA) on January 30, 2020. This loan relates to a sewer system project to provide treatment for 475 homes that are currently served by failing systems. The principal balance of the loan is \$192,888.52. Payments on this loan will begin in July of 2021.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 37,888	\$ 14,116	\$ 52,004
Intergovernmental	42,258	53,153	95,411
Charges for Services	3,850	20,501	24,351
Earnings on Investments	4,327	-	4,327
Miscellaneous	80	2,840	2,920
<i>Total Cash Receipts</i>	<u>88,403</u>	<u>90,610</u>	<u>179,013</u>
Cash Disbursements			
Current:			
Security of Persons and Property	72,020	6,537	78,557
Leisure Time Activities	21	-	21
Transportation	-	22,190	22,190
General Government	37,220	1,728	38,948
Capital Outlay	-	415	415
Debt Service:			
Principal Retirement	-	21,471	21,471
Interest and Fiscal Charges	-	5,183	5,183
<i>Total Cash Disbursements</i>	<u>109,261</u>	<u>57,524</u>	<u>166,785</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,858)</u>	<u>33,086</u>	<u>12,228</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	3,515	-	3,515
Other Financing Uses	(4,298)	-	(4,298)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(783)</u>	<u>-</u>	<u>(783)</u>
<i>Net Change in Fund Cash Balances</i>	(21,641)	33,086	11,445
<i>Fund Cash Balances, January 1</i>	<u>35,289</u>	<u>278,647</u>	<u>313,936</u>
Fund Cash Balances, December 31			
Restricted	-	311,733	311,733
Unassigned	13,648	-	13,648
<i>Fund Cash Balances, December 31</i>	<u>\$ 13,648</u>	<u>\$ 311,733</u>	<u>\$ 325,381</u>

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 217,487
<i>Total Operating Cash Receipts</i>	217,487
Operating Cash Disbursements	
Personal Services	82,514
Employee Fringe Benefits	25,363
Contractual Services	69,682
Supplies and Materials	38,883
<i>Total Operating Cash Disbursements</i>	216,442
<i>Operating Income (Loss)</i>	1,045
Non-Operating Receipts (Disbursements)	
Capital Outlay	(25,883)
Principal Retirement	(10,834)
Interest and Other Fiscal Charges	(2,832)
<i>Total Non-Operating Receipts (Disbursements)</i>	(39,549)
<i>Net Change in Fund Cash Balances</i>	(38,504)
<i>Fund Cash Balances, January 1</i>	502,179
<i>Fund Cash Balances, December 31</i>	\$ 463,675

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 1 – Reporting Entity

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

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Fire Levy This fund receives tax money to provide fire protection to the Village, Paxton and Perry Townships.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

Solid Waste Collection The solid waste collection fund accounts for the provision of 10% of the water receipts being saved towards a sewer project. This procedure was discontinued in 2019 and a charge of \$1.69 was included on the monthly water bills and deposited in this fund towards cost of wastewater facility.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2018 budgetary activity appears in Note 4.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire Levy Fund by \$26,623, in the Water Operating Fund by \$6,122, in the Water Line Extension Fund by \$13,666, and in the Enterprise Improvement Fund by \$24,881 for the year ended December 31, 2018.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 90,733	\$ 91,918	\$ 1,185
Special Revenue	79,325	90,610	11,285
Enterprise	225,189	217,487	(7,702)
Total	\$ 395,247	\$ 400,015	\$ 4,768

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 117,078	\$ 113,739	\$ 3,339
Special Revenue	93,296	57,524	35,772
Enterprise	237,060	257,272	(20,212)
Total	\$ 447,434	\$ 431,259	\$ 16,175

Note 5 – Deposits

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

	2018
Demand deposits	\$ 540,273
Certificates of deposit	248,783
Total deposits	\$ 789,056

Deposits

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 6 – Taxes

Property Taxes

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

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

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

Note 7 – Risk Management

The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

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

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

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

Note 10 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1997 OWDA Loan #3140	\$ 13,942	6.32%
2006 OWDA Loan #4498	135,594	1.50%
Rosenbauer Fire Truck	119,774	3.67%
Total	<u>\$ 269,310</u>	

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

During 2006, the Village obtained an OWDA Water Storage Design loan and drew \$27,158, then effectively refinanced the loan at a lower interest rate by combining the loan with its OWDA Water Storage Improvements Project Loan (loan #4498); this new loan was awarded to the Village for an amount up to \$12,890 for the construction of water storage improvements.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Note 10 – Debt (Continued)

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

Amortization

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

Year ending December 31:	OWDA #3140	OWDA #4498	Fire Truck
2019	\$ 2,462	\$ 4,419	\$ 26,654
2020	4,974	8,838	26,654
2021	5,078	8,838	26,654
2022	2,566	8,838	26,654
2023	-	8,838	26,654
2024-2028	-	44,190	-
2029-2033	-	44,190	-
2034-2038	-	26,514	-
Total	<u>\$ 15,080</u>	<u>\$ 154,665</u>	<u>\$ 133,270</u>

Note 11 – Contingent Liabilities

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

Note 12 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

In addition, the Village entered into a loan agreement (loan #8745) with the Ohio Water Development Authority (OWDA) on January 30, 2020. This loan relates to a sewer system project to provide treatment for 475 homes that are currently served by failing systems. The principal balance of the loan is \$192,888.52. Payments on this loan will begin in July of 2021.

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

June 29, 2021

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Bainbridge**, Ross County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 29, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2019-001 through 2019-002 to be material weaknesses.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2019-002 and 2019-003.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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

FINDING NUMBER 2019-001

Material Weakness

Posting Receipts, Disbursements and Classification of Fund Balances

The Village is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Governmental Accounting Standards Board Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions”.

During 2019 and 2018, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Fund balance adjustments from the prior audit were incorrectly entered into the system.
- Local government distributions were incorrectly recorded to the Special Revenue Fund in 2018.
- Grant revenues were incorrectly recorded as Other Financing Sources revenue and Miscellaneous revenue in 2018.
- Utility surcharge receipts were incorrectly posted to the Capital Projects Fund rather than the Enterprise Fund in 2019.
- A Permissive MVL tax receipt was incorrectly posted as Intergovernmental revenue within other funds in 2019.
- Fire contract receipts were incorrectly posted to the Debt Service Fund rather than the Fire Fund in both 2019 and 2018.
- Multiple gasoline excise tax receipts were not posted in accordance with the correct allocation in both 2019 and 2018.
- Rollback receipts were incorrectly posted as Property Tax revenue in both 2019 and 2018.
- Property tax receipts were posted to incorrect funds in both 2019 and 2018.
- Grant receipts in the Fire Levy Fund were incorrectly posted as Miscellaneous receipts in both 2019 and 2018.
- Interest disbursements were overstated and principal disbursements were understated by \$1,471 in 2018.
- Principal and interest disbursements were incorrectly posted to the Debt Service Fund rather than the Fire Fund in both 2019 and 2018.
- The General Fund was incorrectly classified as entirely Unassigned rather than entirely Assigned in 2019.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all material reclassifications and adjustments. The Village has posted all adjustments to its accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts, disbursements, and fund balances are properly identified and classified on the financial statements.

We also recommend the Village refer to the Ohio Village Handbook for guidance to determine the proper posting of receipts and disbursements and refer to the Auditor of State Technical Bulletin 2011-004 for assistance in classifying fund balances.

Management’s Response – Officials did not provide a response to this finding.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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

FINDING NUMBER 2019-002

Material Weakness / Noncompliance

Ohio Revised Code Section 5705.41(B) provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated. Expenditures exceeded appropriations in the Fire Levy Fund by \$26,623, Water Operating Fund by \$6,122, Water Line Extension Fund by \$13,666, and Enterprise Improvement Fund by 24,881 in 2018. In 2019, expenditures exceeded appropriations in the Fire Levy Fund by \$31,786.

We recommend the Village Council review and amend appropriations whenever necessary to help reduce the possibility of expenditures exceeding appropriations, provided sufficient resources are available.

The Village did not have a control procedure in place to ensure that estimated receipts and appropriations, as authorized by Village Council and approved by the County Budget Commission, were reconciled to the estimated receipts and appropriations posted to the UAN system in 2018 and 2019.

This resulted in incorrect amounts being recorded in the accounting system and inaccurate budgetary information available to Village officials for their monitoring.

Village officials should monitor the budgetary activity in order to make informed decisions regarding Village finances. The proper recording of budgetary activity in the UAN system provides safeguards as the system is designed to let the Fiscal Officer know if budgetary violations will occur. Adjustments were made to the budgetary activity reported in the notes to the financial statements in order to accurately present estimated receipts and appropriations as certified by the County Budget Commission.

The Village should implement procedures to ensure estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by Village Council and the Budget Commission after each amendment.

Management's Response – Officials did not provide a response to this finding.

FINDING NUMBER 2019-003

Noncompliance

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

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

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-003 (CONTINUED)

Noncompliance (Continued)

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

The Village did not properly certify the availability of funds prior to purchase commitment for 41% of the expenditures tested for 2019 and for 36% of the expenditures tested for 2018.

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

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

Management's Response – Officials did not provide a response to this finding.

**VILLAGE OF BAINBRIDGE
ROSS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2019-001
2017-002	Ohio Rev. Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2019-002

From: [Jessica Heldman](#)
To: [Jill M. Butler](#)
Subject: [External]RE: Village of Bainbridge
Date: Wednesday, September 1, 2021 3:23:35 PM
Attachments: [image001.png](#)
[image003.png](#)
[image005.png](#)
[image006.png](#)
[Pooled Collateral - Rockhold - 2017 thru 2022.pdf](#)

*** Auditor of State Security Notice *** This e-mail is from an external source. Think before you click links or open attachments.

Hi Jill,

Here is the letter of credit provided to us by the Village. We did some research and it appeared to cover the collateral requirements, but it was something we hadn't seen before.



Jessica Heldman, CPA MBA
Principal
Perry and Associates CPAs, A.C.
o: 740.373.0056 x: 111
w: perrycpas.com e: jheldman@perrycpas.net

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From: Jill M. Butler <JMButler@ohioauditor.gov>
Sent: Tuesday, August 31, 2021 8:22 AM
To: Jessica Heldman <jheldman@perrycpas.net>
Subject: FW: Village of Bainbridge

CAUTION: EXTERNAL MESSAGE - This message originated outside of the Perry & Associates network. Please use caution when opening attachments, clicking links, or responding to requests for information.

Hi Jessica,

I am just following up on the email below.

Thanks,

Jill



From: Jill M. Butler
Sent: Tuesday, August 24, 2021 11:25 AM
To: jheldman@perrycpas.net

Subject: Village of Bainbridge

I am performing the desk review of the Village of Bainbridge and have the following questions:

- Per Note 5 in the 2019 and 2018 the Village's deposits are insured by the Federal Deposit Insurance Corporation or collateralized by a letter of credit issued by the Federal Home Loan Bank of Cincinnati.
 - What is the Federal Home Loan Bank of Cincinnati and how does it relate to the Village's deposits?
 - Does the financial institution participate in OPCS?

Thanks,

Jill



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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BAINBRIDGE

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/5/2021

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

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