

VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO

Financial Statements
(Audited)

For the Year Ended
December 31, 2019



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Members of Council
Village of Doylestown
24 South Portage Street
Doylestown, Ohio 44230

We have reviewed the *Independent Auditor's Report* of the Village of Doylestown, Wayne County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 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 Doylestown is responsible for compliance with these laws and regulations

Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2020

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**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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Independent Auditor's Report

Village of Doylestown
Wayne County
24 South Portage Street
Doylestown, Ohio 44230

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 Doylestown, Wayne County, Ohio as of and for the year ended December 31, 2019.

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 of Doylestown'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 of Doylestown'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 opinions.

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

As described in Note 2 of the financial statements, the Village of Doylestown 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 of Doylestown 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 of Doylestown as of December 31, 2019, and the respective changes in financial position or cash flows thereof for the year 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 Doylestown, Wayne County, Ohio, as of December 31, 2019, for the year 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 14 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village of Doylestown. 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 April 3, 2020, on our consideration of the Village of Doylestown'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 of Doylestown's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 3, 2020

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Taxes	\$ 311,873	\$ 17,310	\$ -	\$ 329,183
Municipal Income Tax	645,863	-	273,193	919,056
Intergovernmental	66,545	221,429	730	288,704
Special Assessment	-	9,330	-	9,330
Charges for Services	20,308	37,649	-	57,957
Fines, Licenses and Permits	51,589	796	-	52,385
Earnings on Investments	-	-	5,461	5,461
Miscellaneous	32,271	11,253	979	44,503
Total Cash Receipts	<u>1,128,449</u>	<u>297,767</u>	<u>280,363</u>	<u>1,706,579</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	548,716	59,867	-	608,583
Public Health Services	-	44,295	-	44,295
Leisure Time Activities	109,800	11,141	-	120,941
Community Environment	16,986	4,840	-	21,826
Transportation	-	261,225	-	261,225
General Government	389,925	-	-	389,925
Capital Outlay	-	-	294,699	294,699
Debt Service:				
Principal Retirement	-	-	58,601	58,601
Interest and Fiscal Charges	-	-	5,433	5,433
Total Cash Disbursements	<u>1,065,427</u>	<u>381,368</u>	<u>358,733</u>	<u>1,805,528</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>63,022</u>	<u>(83,601)</u>	<u>(78,370)</u>	<u>(98,949)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	26,435	-	26,435
Transfers Out	(26,435)	-	-	(26,435)
Total Other Financing Receipts (Disbursements)	<u>(26,435)</u>	<u>26,435</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balances	36,587	(57,166)	(78,370)	(98,949)
Fund Cash Balances, January 1, 2019	<u>997,516</u>	<u>342,228</u>	<u>840,707</u>	<u>2,180,451</u>
Fund Cash Balances, December 31, 2019				
Restricted	-	285,062	326,658	611,720
Committed	-	-	435,679	435,679
Assigned	151,189	-	-	151,189
Unassigned (Deficit)	882,914	-	-	882,914
Fund Cash Balances, December 31, 2019	<u>\$ 1,034,103</u>	<u>\$ 285,062</u>	<u>\$ 762,337</u>	<u>\$ 2,081,502</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Custodial	Total (Memorandum Only)
Operating Cash Receipts:			
Charges for Services	\$ 1,073,022	\$ 12,300	\$ 1,085,322
Fines, Licenses and Permits	-	11,024	11,024
Total Operating Cash Receipts	1,073,022	23,324	1,096,346
Operating Cash Disbursements:			
Personal Services	226,921	-	226,921
Fringe Benefits	80,564	-	80,564
Contractual Services	185,381	-	185,381
Supplies and Materials	744,681	-	744,681
Other	-	26,474	26,474
Total Operating Cash Disbursements	1,237,547	26,474	1,264,021
Operating Income (Loss)	(164,525)	(3,150)	(167,675)
Non-Operating Receipts (Disbursements):			
Intergovernmental	110,000	-	110,000
Other Debt Proceeds	402,438	-	402,438
Miscellaneous Receipts	300	3,612	3,912
Principal Retirement	(206,226)	-	(206,226)
Interest and Other Fiscal Charges	(112,234)	-	(112,234)
Total Non-Operating Receipts (Disbursements)	194,278	3,612	197,890
Net Change in Fund Cash Balances	29,753	462	30,215
Fund Cash Balances, January 1, 2019	780,137	10,213	790,350
Fund Cash Balances, December 31, 2019	\$ 809,890	\$ 10,675	\$ 820,565

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Doylestown, Wayne County, Ohio, (the Village) as a body corporate and politic. 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 Chippewa Township, Wayne County, to receive fire protection services.

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

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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Village and that are either unusual in nature or infrequent in occurrence. The Village did not have any extraordinary items or special items during fiscal year 2019.

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 Fund:

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

Debt Service Funds: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village does not report any Debt Service Funds.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

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 Village had the following significant capital project fund:

Capital Improvement Fund – This fund receives income tax revenue. The proceeds are being used to pay the principal and interest payments on existing debt, as well as capital improvement projects.

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 Village does not report any Permanent funds.

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 Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Sewer Capital Improvements Fund - This fund receives charges for services from residents to cover sewer capital improvement costs.

Internal Service Fund - This fund accounts for services provided by one department to other departments of the government unit. The Village does not report any Internal Service funds.

Fiduciary Funds - Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village does not report any private purpose trust funds.

Custodial funds are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's custodial funds account for Mayor's Court receipts and disbursements, a deposit holding account for rental of the Community Center and a Doylestown Patrolman Fund.

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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Appropriations: Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or major 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 re-appropriated. A summary of 2019 budgetary activity appears in Note 3.

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.

The Village values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

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.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

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. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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.

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,102,256	\$1,128,449	\$26,193
Special Revenue	441,758	324,202	(117,556)
Capital Projects	280,350	280,363	13
Enterprise	1,614,701	1,585,760	(28,941)
Total	<u>\$3,439,065</u>	<u>\$3,318,774</u>	<u>(\$120,291)</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,360,676	\$1,111,486	\$249,190
Special Revenue	476,359	388,880	87,479
Capital Projects	418,900	375,518	43,382
Enterprise	1,763,313	1,587,337	175,976
Total	<u>\$4,019,248</u>	<u>\$3,463,221</u>	<u>\$556,027</u>

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Note 4 – Deposits and Investments

The Village maintains a deposit 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, 2019 was as follows:

Demand deposits	<u>\$2,593,522</u>
U.S. Treasury Notes	124,429
Money Market	<u>184,116</u>
Total investments	<u>308,545</u>
Total deposits and investments	<u><u>\$2,902,067</u></u>

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

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

Investments in money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

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

Income Taxes

The Village levies a municipal income tax of 2% on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. During 2019 the Village’s net income tax receipts are allocated 70 percent to the General Fund, and 30 percent to the Capital Improvement Fund, a capital project fund.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Interfund Balances

The Village had no outstanding advances for year ending December 31, 2019.

Note 7 – Risk Management

Workers’ Compensation coverage is provided by the State of Ohio. The Village 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 (if material).

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018, the latest information available.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018, the latest information available.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members’ Equity	<u>\$ 4,330,789</u>

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

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Twenty-seven (27) 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 postemployment healthcare and survivor and disability benefits.

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

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2019</i>	<i>10%</i>	<i>14%</i>

Ohio Police and Fire Retirement System

Seven (7) employees participate in OP&F. Village's full-time Police Officers 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>July 1, 2015 – December 31, 2019</i>	<i>12.25%</i>	<i>19.5%</i>

Social Security

The Village has no employees currently contributing to Social Security.

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

Note 9 - 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 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. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 - Debt

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Water System Improvement Bond	\$77,000	4.50%
Various Purpose Improvement Bonds PNC 2006	73,311	5.10%
Ohio Public Works Commission Loan CP08L	95,621	0.00%
Ohio Public Works Commission Loan CP17M	90,002	0.00%
Ohio Public Works Commission Loan CP43Q	234,395	0.00%
Ohio Water Development Authority Loan #6191	2,901,843	3.45%
Ohio Public Works Commission Loan CP04T	48,100	0.00%
Ohio Water Development Authority Loan #7504	210,477	2.08%
Ohio Public Works Commission Loan CP39V	120,000	0.00%
Ohio Water Development Authority Loan #8253 - 2018	254,077	2.93%
Ohio Water Development Authority Loan #8253 - 2019	32,658	2.84%
Total	<u>\$4,137,484</u>	

The USDA Water System Improvement Bond is for the purpose of making improvements to the water system. The original bond amount was \$115,000. The Bond is being repaid from the Capital Water Field/Tower Fund, an Enterprise Fund, in annual installments including interest of 4.50% over 30 years. The final payment is due on March 1, 2034.

The Various Purpose Improvement Bonds (Series 2006) is for the purpose of constructing and installing water and sewer improvements. The original bond amount was \$500,000. The bond is being repaid from the Capital Improvement Fund, a capital project fund, in semiannual installments of \$24,048, including interest of 5.10% over 15 years. The final payment is due on June 23, 2021.

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

The Ohio Public Works Commission (OPWC) loan CP08L relates to a project for east side storm sewer improvements. The original amount of the loan was \$239,053. The zero percent interest loan is being repaid from the Capital Improvement Fund, a capital project fund, in semiannual installments of \$7,968 for 15 years. The final payment is due on July 1, 2025.

The Ohio Public Works Commission (OPWC) loan CP17M relates to the water supply well project. The original amount of the loan was \$144,002. The zero percent interest loan is being repaid from the S. Well Field and Repair Loan Payment Fund, an Enterprise Fund, in semiannual installments of \$3,600 for 20 years. The final payment is due on January 2, 2032.

The Ohio Public Works Commission (OPWC) loan CP43Q relates to the water tower painting by Village Hall project. The original amount of the loan was \$294,668. The zero percent interest loan is being repaid from the Water Tower Repair Fund, an Enterprise Fund, in semiannual installments of \$6,697 for 22 years. The final payment is due on January 30, 2037.

The Ohio Water Development Authority (OWDA) loan 6191 relates to a water treatment plant expansion project the Ohio Environmental Protection Agency mandated. The original amount of the loan was \$3,324,918. The loan is being repaid from the Water Plant Fund, an enterprise fund, in semiannual installments of \$89,390, including interest of 3.45%, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The final payment is due on July 1, 2043.

The Ohio Public Works Commission (OPWC) loan CP04T relates to the WWTP Mechanical Screen & Phosphorus Removal project. The original amount of the loan is \$52,000. The zero percent interest loan will be repaid from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$1,300 for 20 years. The final payment is due January 30, 2038.

The Ohio Water Development Authority (OWDA) loan 7504 relates to the WWTP Mechanical Screen & Phosphorus Removal project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$333,296 in loans to the Village for this project. The Village will repay the loans from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$7,730 including interest of 2.08%, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The final payment is due on January 1, 2038.

The Ohio Public Works Commission (OPWC) loan CP39V relates to the Clarigester Rehabilitation project. The original amount of the loan is \$120,000. The zero percent interest loan will be repaid from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$3,000 for 20 years. The final payment is due July 31, 2039.

The Ohio Water Development Authority (OWDA) loan 8253 relates to the Clarigester Rehabilitation project. The original amount of the loan is \$254,077 with an interest rate of 2.93%. Additional monies were needed for this project and granted under the same loan number, however the additional monies disbursed were \$32,658 with an interest rate of 2.84%. \$3,199 of the total loan amount relates to capitalized interest which was accrued over the year. The Village will repay the loans from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$16,723, including interest over 10 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The official amortization is not yet available. The final payment is due on January 1, 2030.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

The Village's taxing authority collateralized all other debts.

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

Year Ending December 31	USDA Water	Various	OPWC	OPWC	OPWC	OPWC	OWDA 6191	OWDA 7504	OPWC CP39V
	Sys Impvmt Bond 2001	Purpose Impvmt Bonds 2006	CP08L 2010	CP17M 2012	CP43Q 2015	CP04T 2017			
2020	7,465	48,097	15,937	7,200	13,394	2,600	178,780	15,696	6,000
2021	7,285	24,048	15,937	7,200	13,394	2,600	178,780	15,459	6,000
2022	7,105	-	15,937	7,200	13,394	2,600	178,780	15,223	6,000
2023	6,925	-	15,937	7,200	13,394	2,600	178,780	14,986	6,000
2024	6,745	-	15,937	7,200	13,394	2,600	178,780	14,749	6,000
2025-2029	35,575	-	15,937	36,001	66,970	13,000	893,900	70,197	30,000
2030-2034	36,455	-	-	18,000	66,970	13,000	893,900	64,281	30,000
2035-2039	-	-	-	-	33,485	9,100	893,900	41,476	30,000
2040-2043	-	-	-	-	-	-	715,120	-	-
Total	107,555	72,145	95,622	90,001	234,395	48,100	4,290,720	252,067	120,000

Leases

The Village leases copy equipment under non-cancelable leases. The Village disbursed \$5,146 to pay lease costs for the year ended December 31, 2019.

Note 11 – Contingencies

The Village has no contingencies pending as of December 31, 2019.

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

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

Note 13 – Insurance Purchasing Pool

The Village participates in the Wayne County insurance purchasing pool for hospitalization benefits program which provided medical and dental insurance to full time employees. This program is managed by the Wayne County Commissioners. Each full time employee who participates in this program pays for 20% of their benefits through payroll deduction, and the Village pays for 80% of this coverage.

Note 14 – Subsequent Event

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 measures will impact subsequent periods of the Village. The Village's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Village of Doylestown
Wayne County
24 South Portage Street
Doylestown, Ohio 44230

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 Doylestown, Wayne County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated April 3, 2020 wherein we noted the Village of Doylestown followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 14 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Doylestown's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Doylestown'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 of Doylestown'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a significant deficiency. We consider finding 2019-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Doylestown'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 determination of financial statement amounts. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village of Doylestown's Response to Finding

The Village of Doylestown's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not subject the Village of Doylestown's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 of Doylestown's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Doylestown's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
April 3, 2020

**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-001

Significant Deficiency - Financial Statement Presentation:

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Village, this could also include reviewing the fiscal year-end UAN reports to ensure activity is reported in the correct line items and fund balances are properly classified.

An adjustment was made to the financial statements to properly account for the classification of fund balance.

- The Village’s capital improvement fund receives income tax receipts at a percentage established by Village Council and should have a committed fund balance. The Village recorded the capital improvement fund balance under the “restricted” and “assigned” classifications. An adjustment was recorded to decrease the “assigned” fund balance under the capital projects fund-type by \$370,979 and increase the “committed” fund balance under the capital projects fund-type by \$370,979. An adjustment was also recorded to decrease “restricted” fund balance under the capital projects fund-type by \$64,700 and increase the “committed” fund balance under capital projects fund-type by \$64,700.
- The Village recorded intergovernmental receipts for permissive taxes collected and held by the County Engineer. An adjustment was recorded to decrease intergovernmental receipts and restricted fund balance under the special revenue fund-type by \$16,524.

Modifications were also made to the note disclosures to accurately reflect the activity of the Village and to agree to the financial statements.

We recommend the Village design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Village should consider having an outside third-party, or Council member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the Village should reach out to its auditor throughout the fiscal year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Village will closely monitor all transactions to ensure accurate financial reporting in the future.

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**VILLAGE OF DOYLESTOWN
WAYNE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019**

Finding Number	Year Initially Occurred	<u>Finding Summary</u>	Status	Additional Information
2018-001	2016	<u>Significant Deficiency – Financial Statement Presentation:</u> Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. An adjustment was made to the financial statements to properly account for the classification of fund balance.	Not Corrected	Repeated as finding 2019-001 which describes adjustments to reclass fund balance components.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF DOYLESTOWN

WAYNE 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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 30, 2020**