

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2015 and 2014

**KRISTEN ROBISON, FISCAL OFFICER**





# Dave Yost • Auditor of State

Village Council  
Village of Doylestown  
24 S. 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, 2014 through December 31, 2015. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

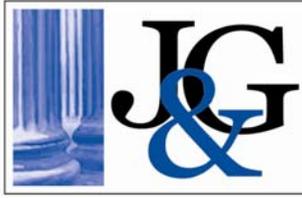
June 14, 2016

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**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report**

Village of Doylestown  
Wayne County  
24 S. 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 years ended December 31, 2015 and 2014.

***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 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.

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

As described in Note 1 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, 2015 and 2014, or changes in financial position or 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 combined cash balances of the Village of Doylestown, Wayne County, Ohio as of December 31, 2015 and 2014, and its combined cash receipts and disbursements 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 1.

***Emphasis of Matter***

As discussed in Note 2, during 2014, the Village of Doylestown restated fund balances for the General Fund and Agency Fund in order to properly include unclaimed monies as part of the General Fund, in accordance with GASB 54. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2016, 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.  
May 12, 2016

**Village of Doylestown**  
Wayne County, Ohio  
*Combined Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
All Governmental Fund Types  
For the Year Ended December 31, 2015

	General	Special Revenue	Capital Projects	Total Governmental Funds
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 295,858	\$ -	\$ -	\$ 295,858
Municipal Income Tax	732,315	-	81,326	813,641
Intergovernmental	59,935	190,040	-	249,975
Special Assessments	-	4,824	-	4,824
Charges for Services	19,446	16,105	-	35,551
Fines, Licenses and Permits	43,041	1,826	-	44,867
Earnings on Investments	-	2,752	-	2,752
Miscellaneous	29,750	5,385	-	35,135
<i>Total Cash Receipts</i>	<u>1,180,345</u>	<u>220,932</u>	<u>81,326</u>	<u>1,482,603</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	553,318	58,834	-	612,152
Public Health Services	-	26,156	-	26,156
Leisure Time Activities	55,574	8,007	-	63,581
Community Environment	20,881	2,001	-	22,882
Transportation	-	312,931	-	312,931
General Government	271,615	-	-	271,615
Capital Outlay	-	-	299,337	299,337
Debt Service:				
Principal Retirement	-	-	50,732	50,732
Interest and Fiscal Charges	-	-	13,302	13,302
<i>Total Cash Disbursements</i>	<u>901,388</u>	<u>407,929</u>	<u>363,371</u>	<u>1,672,688</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>278,957</u>	<u>(186,997)</u>	<u>(282,045)</u>	<u>(190,085)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	193,000	-	193,000
Transfers Out	(193,000)	-	-	(193,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(193,000)</u>	<u>193,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Cash Fund Balances</i>	85,957	6,003	(282,045)	(190,085)
<i>Fund Cash Balances Beginning of Year</i>	<u>189,469</u>	<u>570,956</u>	<u>595,022</u>	<u>1,355,447</u>
<b>Fund Cash Balances End of Year</b>				
Restricted	-	576,959	312,977	889,936
Assigned	132,345	-	-	132,345
Unassigned	143,081	-	-	143,081
<i>Fund Cash Balances End of Year</i>	<u>\$ 275,426</u>	<u>\$ 576,959</u>	<u>\$ 312,977</u>	<u>\$ 1,165,362</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 - Cash Basis*  
*All Proprietary and Fiduciary Fund Types*  
*For the Year Ended December 31, 2015*

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 880,062	\$ -	\$ 880,062
<i>Total Operating Cash Receipts</i>	<u>880,062</u>	<u>-</u>	<u>880,062</u>
<b>Cash Disbursements</b>			
Personal Services	238,457	-	238,457
Fringe Benefits	78,310	-	78,310
Contractual Services	156,334	-	156,334
Supplies and Materials	183,017	-	183,017
<i>Total Operating Cash Disbursements</i>	<u>656,118</u>	<u>-</u>	<u>656,118</u>
<i>Operating Income</i>	<u>223,944</u>	<u>-</u>	<u>223,944</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Court Collections	-	12,221	12,221
Court Disbursements	-	(12,221)	(12,221)
Deposits Held for Rentals	-	11,300	11,300
Deposits Distributed	-	(11,975)	(11,975)
Miscellaneous Receipts	27,875	-	27,875
Capital Outlay	(67,176)	-	(67,176)
Principal Retirement	(162,807)	-	(162,807)
Interest and Other Fiscal Charges	(124,409)	-	(124,409)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(326,517)</u>	<u>(675)</u>	<u>(327,192)</u>
<i>Net Change in Cash Fund Balances</i>	(102,573)	(675)	(103,248)
<i>Fund Cash Balances Beginning of Year</i>	<u>865,268</u>	<u>5,325</u>	<u>870,593</u>
<i>Fund Cash Balances End of Year</i>	<u>\$ 762,695</u>	<u>\$ 4,650</u>	<u>\$ 767,345</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 - Cash Basis*  
All Governmental Fund Types  
For the Year Ended December 31, 2014

	General	Special Revenue	Capital Projects	Total Governmental Funds
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 297,771	\$ -	\$ -	\$ 297,771
Municipal Income Tax	614,195	-	204,732	818,927
Intergovernmental	54,929	188,598	-	243,527
Special Assessments	-	3,700	-	3,700
Charges for Services	16,110	31,755	-	47,865
Fines, Licenses and Permits	38,011	1,471	-	39,482
Earnings on Investments	-	2,293	-	2,293
Miscellaneous	27,951	8,475	370	36,796
<i>Total Cash Receipts</i>	<u>1,048,967</u>	<u>236,292</u>	<u>205,102</u>	<u>1,490,361</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	538,127	54,699	-	592,826
Public Health Services	-	26,136	-	26,136
Leisure Time Activities	57,491	7,795	-	65,286
Community Environment	21,039	2,325	-	23,364
Transportation	-	330,637	-	330,637
General Government	305,390	-	-	305,390
Capital Outlay	-	-	46,943	46,943
Debt Service:				
Principal Retirement	-	-	48,981	48,981
Interest and Fiscal Charges	-	-	15,052	15,052
<i>Total Cash Disbursements</i>	<u>922,047</u>	<u>421,592</u>	<u>110,976</u>	<u>1,454,615</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>126,920</u>	<u>(185,300)</u>	<u>94,126</u>	<u>35,746</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	229,851	-	229,851
Transfers Out	(229,400)	(451)	-	(229,851)
Advances In	25,000	-	-	25,000
Advances Out	(25,000)	-	-	(25,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(229,400)</u>	<u>229,400</u>	<u>-</u>	<u>-</u>
<i>Net Change in Cash Fund Balances</i>	<u>(102,480)</u>	<u>44,100</u>	<u>94,126</u>	<u>35,746</u>
<i>Fund Cash Balances Beginning of Year, Restated</i>	<u>291,949</u>	<u>526,856</u>	<u>500,896</u>	<u>1,319,701</u>
<b>Fund Cash Balances End of Year</b>				
Restricted	-	570,956	595,022	1,165,978
Assigned	17,167	-	-	17,167
Unassigned	172,302	-	-	172,302
<i>Fund Cash Balances End of Year</i>	<u>\$ 189,469</u>	<u>\$ 570,956</u>	<u>\$ 595,022</u>	<u>\$ 1,355,447</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 - Cash Basis*  
*All Proprietary and Fiduciary Fund Types*  
*For the Year Ended December 31, 2014*

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 863,196	\$ -	\$ 863,196
<i>Total Operating Cash Receipts</i>	<u>863,196</u>	<u>-</u>	<u>863,196</u>
<b>Cash Disbursements</b>			
Personal Services	232,127	-	232,127
Fringe Benefits	75,675	-	75,675
Contractual Services	126,622	-	126,622
Supplies and Materials	135,982	-	135,982
<i>Total Operating Cash Disbursements</i>	<u>570,406</u>	<u>-</u>	<u>570,406</u>
<i>Operating Income</i>	<u>292,790</u>	<u>-</u>	<u>292,790</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Court Collections	-	16,592	16,592
Court Disbursements	-	(16,592)	(16,592)
Deposits Held for Rentals	-	3,899	3,899
Deposits Distributed	-	(4,275)	(4,275)
Intergovernmental	75,929	-	75,929
Special Assessments	5,918	-	5,918
Other Debt Proceeds	333,007	-	333,007
Miscellaneous Receipts	27,779	-	27,779
Capital Outlay	(412,297)	-	(412,297)
Principal Retirement	(153,359)	-	(153,359)
Interest and Other Fiscal Charges	(92,862)	-	(92,862)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(215,885)</u>	<u>(376)</u>	<u>(216,261)</u>
<i>Income (Loss) before Transfers and Advances</i>	<u>76,905</u>	<u>(376)</u>	<u>76,529</u>
Transfers In	5,917	-	5,917
Transfers Out	(5,917)	-	(5,917)
Advances In	25,000	-	25,000
Advances Out	(25,000)	-	(25,000)
<i>Net Change in Cash Fund Balances</i>	<u>76,905</u>	<u>(376)</u>	<u>76,529</u>
<i>Fund Cash Balances Beginning of Year, Restated</i>	<u>788,363</u>	<u>5,701</u>	<u>794,064</u>
<i>Fund Cash Balances End of Year</i>	<u>\$ 865,268</u>	<u>\$ 5,325</u>	<u>\$ 870,593</u>

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

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Village**

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.

**B. Accounting Basis**

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.

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.

**C. 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.

During 2015, investments were limited to U.S. Treasury Notes and federal agency securities. Investments are reported at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. 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 Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Fund Accounting (continued)**

**3. 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 premium and interest payments on existing debt.

**4. 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.

Water Tower Repairs Fund - This fund receives loan proceeds from the Ohio Public Works Commission to finance the maintenance of a water tank. A utility surcharge recorded in this fund will repay this loan.

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

**5. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency 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.

Agency funds are purely custodial in nature and 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 agency funds account for Mayor's Court receipts and disbursements and a deposit holding account for rental of the Community Center.

**E. Budgetary Process**

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

**1. 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.

VILLAGE OF DOYLESTOWN  
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process (continued)

2. 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.

3. 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 2015 and 2014 budgetary activity appears in Note 4.

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

4. 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.

5. 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.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Fund Balance (continued)**

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.

**G. Property, Plant, and Equipment**

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

**H. 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.

**2. RESTATEMENT OF FUND BALANCES**

The General Fund and Agency Fund balances were restated as of January 1, 2014 in order to properly include unclaimed monies as part of the General Fund in accordance with GASB 54. The effect of the restatement is as follows:

	General Fund	Agency Fund
Fund Balance, December 31, 2013	\$ 290,718	\$ 6,932
Unclaimed monies	1,231	(1,231)
Restated Beginning Balance, January 1, 2014	\$ 291,949	\$ 5,701

**3. EQUITY IN POOLED 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 was as follows:

	2015	2014
Demand deposits	\$1,672,855	\$1,990,777
Total deposits	1,672,855	1,990,777
FHLB	25,219	25,219
FHLMC	49,835	75,108
U.S. Treasury note	184,798	134,936
Total investments	259,852	235,263
Total deposits and investments	\$1,932,707	\$2,226,040

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**3. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (continued)**

**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.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,161,740	\$1,180,345	\$18,605
Special Revenue	473,990	413,932	(60,058)
Capital Projects	75,020	81,326	6,306
Enterprise	874,800	907,937	33,137
Total	\$2,585,550	\$2,583,540	(\$2,010)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,187,797	\$1,101,194	\$86,603
Special Revenue	490,039	408,728	81,311
Capital Projects	393,600	376,452	17,148
Enterprise	1,111,691	1,017,782	93,909
Total	\$3,183,127	\$2,904,156	\$278,971

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,051,550	\$1,048,967	(\$2,583)
Special Revenue	513,275	466,143	(47,132)
Capital Projects	187,500	205,102	17,602
Enterprise	1,599,200	1,311,746	(287,454)
Total	\$3,351,525	\$3,031,958	(\$319,567)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,258,790	\$1,168,614	\$90,176
Special Revenue	552,779	433,406	119,373
Capital Projects	270,500	159,476	111,024
Enterprise	1,405,751	1,244,190	161,561
Total	\$3,487,820	\$3,005,686	\$482,134

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**5. PROPERTY TAX**

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.

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 2 percent 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 2015 the Village's net income tax receipts are allocated 90 percent to the General Fund, and 10 percent to the Capital Improvement Fund. During 2014 the Village's net income tax receipts are allocated 75 percent to the General Fund, and 25 percent to the Capital Improvement Fund.

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.

**7. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Water System Improvement Bond	\$89,000	6.75%
Various Purpose Improvement Bonds Series 2006	231,626	5.10%
Various Purpose Improvement Bonds Series 2005	314,504	4.94%
Ohio Public Works Commission Loan CP08A	46,103	0.00%
Ohio Public Works Commission Loan CP08L	159,369	0.00%
Ohio Public Works Commission Loan CP17M	118,802	0.00%
Ohio Public Works Commission Loan CP43Q	287,971	0.00%
Ohio Water Development Authority Loan #6191	3,193,424	3.45%
Total	<u>\$4,440,799</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 will be repaid from the Capital Water Field/Tower Fund, an Enterprise Fund, in annual installments including interest of 6.75% over 30 years. The final payment is due on March 1, 2034.

The Various Purpose Improvement Bonds (Series 2006) is for the purpose of paying the costs of constructing and installing water and sewer improvements. The original bond amount was \$500,000. The bond will be repaid from the Capital Projects Fund in semiannual installments of \$24,048, including interest of 5.1% over 15 years. The final payment is due on June 23, 2021.

The Various Purpose Improvement Bonds (Series 2005) is for the purpose of paying costs of constructing and installing water lines and related water system improvements. The original bond amount was \$900,000. The Bond will be repaid from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$43,831, including interest of 4.94 percent over 15 years. The final payment is due on November 30, 2019.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**7. DEBT (continued)**

The Ohio Public Works Commission (OPWC) Loan CP08A relates to the elevated water tank replacement project. The original amount of the loan was \$230,513. The zero percent interest loan is being repaid from the Capital Water Field/Tower Fund, an Enterprise Fund, in semiannual installments of \$5,763 for 20 years. The final payment is due on July 1, 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 Projects 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 relates to a water treatment plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$3,363,000 in loans to the Village for this project. The Village will repay the loans from the Water Plant Fund, an Enterprise Fund, in semiannual installments of \$89,390, including interest, 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 Village's taxing authority collateralized the bonds.

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

Year ending Dec. 31:	USDA Water	various	various	OPWC	OPWC	OPWC Loan	OPWC Loan	OWDA Loan
	System Improvement Bond	Purpose Impvmt Bonds Series 2006	Purpose Impvmt Bonds Series 2005					
2016	\$7,005	\$48,097	\$87,662	\$11,526	\$15,937	\$7,200	\$13,394	\$178,780
2017	6,870	48,096	87,663	11,525	15,937	7,200	13,394	178,780
2018	6,735	48,097	87,662	11,526	15,937	7,200	13,394	178,780
2019	6,600	48,097	87,663	11,526	15,937	7,200	13,394	178,780
2020	7,465	48,097	0	0	15,937	7,200	13,394	178,780
2021-2025	35,625	24,048	0	0	79,684	36,001	66,970	893,900
2026-2030	35,450	0	0	0	0	36,001	66,970	893,900
2031-2035	29,015	0	0	0	0	10,800	66,970	893,900
2036-2040	0	0	0	0	0	0	20,091	893,901
2041-2043	0	0	0	0	0	0	0	536,340
<b>Total</b>	<b>\$134,765</b>	<b>\$264,532</b>	<b>\$350,650</b>	<b>\$46,103</b>	<b>\$159,369</b>	<b>\$118,802</b>	<b>\$287,971</b>	<b>\$5,005,841</b>

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**8. RETIREMENT SYSTEMS**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 10.75% of their wages for January 2014 – June 2014, 11.5% from July 2014 – June 2015, and 12.25% from July 2015 – December 2015. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2015 and 2014, 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, 2015.

**9. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

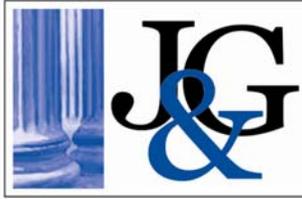
- Comprehensive property and general liability;
- Employers Liability
- Employee Benefits Liability
- Public Officials Liability
- Law Enforcement Officers Liability
- Building and Personal Property
- Boiler & Machinery
- Inland Marine

**10. SUBSEQUENT EVENTS**

The Ohio Public Works Commission has approved a request for financial assistance in the form of a grant/loan for the Village project entitled WWTP Mechanical Screen & Phosphorus Removal Chemical System in the amount of \$104,000. Estimated costs for this project amount to \$400,000.

The Village will also apply for a low interest rate loan through the Ohio Water Development Authority for the project entitled Frederick and Orchard Water Main Replacement. Estimated costs for this project amount to \$275,000.

Each project will be expected to commence during the year ended December 31, 2016.



**Julian & Grube, Inc.**  
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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 S. 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, Ohio, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2016, 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. In addition, as discussed in Note 2, the Village of Doylestown restated fund balances for the General Fund and Agency Fund in order to properly include unclaimed monies as part of the General Fund, in accordance with GASB 54.

***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 opinion 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'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 findings and responses that we consider material weaknesses. We consider findings 2015-001 through 2015-003 to be material weaknesses.

Village Council  
Village of Doylestown

***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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2015-001 and 2015-003.

***Village of Doylestown's Response to Findings***

The Village of Doylestown's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Doylestown's responses and, accordingly, we express no opinion on them.

***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 communication is not suitable for any other purpose.



Julian & Grube, Inc.  
May 12, 2016

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2015 AND 2014**

<b>FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2015-001

Noncompliance/Material Weakness - OPWC & OWDA

Ohio Rev. Code § 5705.42 requires in part, when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, the amount is deemed appropriated and shall be recorded by the subdivision.

In 2015 and 2014, the Ohio Public Works Commission (OPWC) and the Ohio Water Development Authority (OWDA) expended funds for various projects on behalf of the Village. Under the terms of these agreements, OPWC and OWDA made payments directly to the vendor/contractor(s) on the Village's behalf. In 2014, \$67,194 of OPWC on-behalf moneys were paid to OWDA to cover interest expense on an outstanding OWDA loan. These payments were not recorded in the Village's accounting records, thus understating their enterprise funds' intergovernmental receipts and debt service interest disbursements. In addition, in 2014, various grant receipts were recorded as loan proceed and vice-versa. Numerous adjustments were made to the financial statements to properly state these receipts and disbursements.

Any payments made on behalf of the Village by another party should be recorded by the Village as a receipt and disbursement. Failure to do so results in an understatement of receipts and disbursements. Additionally, pursuant to Ohio Rev. Code § 5705.42, the Village should record the appropriations in their accounting records and should request an amended certificate of estimated resources to reflect the additional receipts.

*Client Response:* The Village employed a new Clerk during the audit period whom will work to provide a sound fiscal environment for the Village and has implemented policies and procedures to help record on-behalf payments.

Finding Number	2015-002
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Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

Numerous adjustments were made to the financial statements for the years ended December 31, 2015 and 2014, to properly state financial statement amounts. The audited financial statements and Village records have been adjusted for the misstatements identified during the audit.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2015 AND 2014**

<b>FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2015-002 - (Continued)

We recommend the Village consult with their auditors, Auditor of State and/or Ohio Municipal League to help ensure accurate financial reporting.

*Client Response:* The Village employed a new Clerk during the audit period whom will work to provide a sound fiscal environment for the Village and has implemented policies and procedures to help with financial statement presentation.

Finding Number	2015-003
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Noncompliance/Material Weakness

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

In 2015 and 2014, the Village's appropriations approved in the minutes did not agree to the Uniform Accounting Network (UAN) system appropriations.

By not correctly including appropriations into the financial software, it could become challenging for the Village to easily monitor its budgeted activity in comparison with its actual amounts.

We recommend that approved appropriation modifications as evidenced within Village Council's minutes be incorporated into UAN by the Village Clerk in a timely manner. This will aid Council and the Clerk in their review of disbursements versus appropriations and help ensure appropriations are in place prior to disbursements.

*Client Response:* The Clerk will work to ensure that current appropriations and other budgetary information are properly input into the UAN system.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2013-001	<u>Noncompliance / Material Weakness - OPWC &amp; OWDA</u> - Ohio Rev. Code § 5705.42 requires payments made on-behalf of another political subdivision in the form of a grant/loan be properly budgeted and accounted for. Numerous adjustments were made to the financial statements in 2013 and 2012 to correct these misstatements.	No	Repeated as finding 2015-001
2013-002	<u>Material Weakness - Financial Statement Presentation</u> - Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Numerous adjustments were made to the financial statements in 2013 and 2012, to properly state financial statement amounts.	No	Repeated as finding 2015-002
2013-003	<u>Noncompliance / Material Weakness - Segregation of Duties</u> - Ohio Admin. Code § 117-2-01(D)(4) states management should plan for adequate segregation of duties or compensating controls. The Board of Public Affairs Clerk receipted cash received for utility billing, posted payments to the Utility Billing System, completed the bank deposit slip and made the deposit.	Yes	N/A
2013-004	<u>Material Weakness - Rental Security Deposit Account</u> - The Village maintained a separate bank account to hold facility-rental security deposits. This account had been previously excluded from the books of the Village.	Yes	N/A



# Dave Yost • Auditor of State

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 28, 2016