

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Year Ended  
December 31, 2017





# 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, 2017 through December 31, 2017. 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

April 26, 2018

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**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report .....	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis - All Governmental Fund Types - For The Year Ended December 31, 2017 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis - All Proprietary and Fiduciary Fund Types - For The Year Ended December 31, 2017 .....	4
Notes to the Financial Statements.....	5 - 14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15 - 16
Schedule of Findings and Responses.....	17
Status of Prior Audit Findings .....	18

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**Julian & Grube, Inc.**  
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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, 2017.

***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, 2017, 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 as of December 31, 2017, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2018, 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.  
February 27, 2018



**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, 2017

	General	Special Revenue	Capital Project	Total Governmental Funds
<b>Cash Receipts</b>				
Property and Other Taxes	\$ 302,982	\$ 25,683	\$ -	\$ 328,665
Municipal Income Tax	654,741	-	280,454	935,195
Intergovernmental	78,216	197,007	136,525	411,748
Special Assessments	-	6,640	-	6,640
Charges for Services	18,700	31,574	-	50,274
Fines, Licenses and Permits	51,201	1,098	-	52,299
Earnings on Investments	-	-	2,491	2,491
Miscellaneous	26,129	9,521	-	35,650
<i>Total Cash Receipts</i>	<u>1,131,969</u>	<u>271,523</u>	<u>419,470</u>	<u>1,822,962</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	520,516	67,793	-	588,309
Public Health Services	-	23,966	-	23,966
Leisure Time Activities	112,350	8,404	-	120,754
Community Environment	18,260	3,531	-	21,791
Transportation	-	337,705	-	337,705
General Government	264,911	-	-	264,911
Capital Outlay	-	-	359,822	359,822
Debt Service:				
Principal Retirement	-	-	54,466	54,466
Interest and Fiscal Charges	-	-	9,568	9,568
<i>Total Cash Disbursements</i>	<u>916,037</u>	<u>441,399</u>	<u>423,856</u>	<u>1,781,292</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>215,932</u>	<u>(169,876)</u>	<u>(4,386)</u>	<u>41,670</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	66,950	-	66,950
Transfers Out	(66,950)	-	-	(66,950)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(66,950)</u>	<u>66,950</u>	<u>-</u>	<u>-</u>
<b>Special and Extraordinary Items</b>				
Special Item - Cell Tower Lease Sale	693,180	-	-	693,180
<i>Net Change in Cash Fund Balances</i>	<u>842,162</u>	<u>(102,926)</u>	<u>(4,386)</u>	<u>734,850</u>
<i>Fund Cash Balances Beginning of Year</i>	<u>296,883</u>	<u>386,629</u>	<u>782,004</u>	<u>1,465,516</u>
<b>Fund Cash Balances End of Year</b>				
Restricted	-	283,703	315,584	599,287
Committed	-	-	462,034	462,034
Assigned	167,469	-	-	167,469
Unassigned (Deficit)	971,576	-	-	971,576
<i>Fund Cash Balances End of Year</i>	<u>\$ 1,139,045</u>	<u>\$ 283,703</u>	<u>\$ 777,618</u>	<u>\$ 2,200,366</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, 2017*

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 993,615	\$ 12,200	\$ 1,005,815
Fines, Licenses and Permits	-	14,587	14,587
<i>Total Operating Cash Receipts</i>	<u>993,615</u>	<u>26,787</u>	<u>1,020,402</u>
<b>Cash Disbursements</b>			
Personal Services	235,347	-	235,347
Fringe Benefits	75,822	-	75,822
Contractual Services	136,329	-	136,329
Supplies and Materials	557,850	-	557,850
Other	-	26,887	26,887
<i>Total Operating Cash Disbursements</i>	<u>1,005,348</u>	<u>26,887</u>	<u>1,032,235</u>
<i>Operating Income (Loss)</i>	<u>(11,733)</u>	<u>(100)</u>	<u>(11,833)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	52,000	-	52,000
Other Debt Proceeds	279,542	-	279,542
Miscellaneous Receipts	26,000	-	26,000
Capital Outlay	(12,151)	-	(12,151)
Principal Retirement	(183,427)	-	(183,427)
Interest and Other Fiscal Charges	(122,005)	-	(122,005)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>39,959</u>	<u>-</u>	<u>39,959</u>
<i>Net Change in Cash Fund Balances</i>	28,226	(100)	28,126
<i>Fund Cash Balances Beginning of Year</i>	<u>767,529</u>	<u>6,350</u>	<u>773,879</u>
<i>Fund Cash Balances End of Year</i>	<u>\$ 795,755</u>	<u>\$ 6,250</u>	<u>\$ 802,005</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, 2017**

**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 during fiscal year 2017. The Village reported a special item for cell tower lease sales in the amount of \$693,180, which was for a 30-year lease sale which will be renegotiated at that time.

***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.

***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, as well as capital improvement projects.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

***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 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.

***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.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency 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.

VILLAGE OF DOYLESTOWN  
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

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

A summary of 2017 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 and federal agency securities 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.

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

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

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,748,445	\$1,825,149	\$76,704
Special Revenue	453,000	338,473	(114,527)
Capital Projects	397,920	419,470	21,550
Enterprise	1,543,775	1,351,157	(192,618)
Total	\$4,143,140	\$3,934,249	(\$208,891)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,164,369	\$985,668	\$178,701
Special Revenue	517,302	458,107	59,195
Capital Projects	488,400	453,489	34,911
Enterprise	1,515,738	1,362,166	153,572
Total	\$3,685,809	\$3,259,430	\$426,379

**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, 2017 was as follows:

Demand deposits	\$2,704,900
U.S. Treasury Notes	219,437
FHLMC	24,838
Money Market	53,196
Total investments	297,471
Total deposits and investments	\$3,002,371

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

**Investments:** The Federal Reserve holds the Village’s U.S. Treasury Notes and federal agency securities 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.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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 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 2017 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.

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, 2017.

**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).

*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

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in coverage from the prior year.

VILLAGE OF DOYLESTOWN  
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

***Risk Pool Membership***

The Village 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. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. 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. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 members as of December 31, 2016.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2016, the latest information available.

	<u>2016</u>
Assets	\$14,765,712
Liabilities	<u>(9,531,506)</u>
Members' Equity	<u>\$ 5,234,206</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**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 postretirement healthcare and survivor and disability benefits.



**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2017</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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The 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, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&amp;F- full time police</i>	<i>July 1, 2015 – December 31, 2017</i>	<i>12.25%</i>	<i>19.5%</i>

***Social Security***

The Village has no employees currently contributing to Social Security.

**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 of both the traditional pension and the combined plans. OPERS contributes 1 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 10 - Debt**

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Water System Improvement Bond	\$83,000	4.50%
Various Purpose Improvement Bonds PNC 2006	156,514	5.10%
Various Purpose Improvement Bonds US BANK 2005	164,773	4.94%
Ohio Public Works Commission Loan CP08A	23,051	0.00%
Ohio Public Works Commission Loan CP08L	127,495	0.00%
Ohio Public Works Commission Loan CP17M	104,402	0.00%
Ohio Public Works Commission Loan CP43Q	261,183	0.00%
Ohio Water Development Authority Loan #6191	3,052,618	3.45%
Ohio Public Works Commission Loan CP04T	52,000	0.00%
Ohio Water Development Authority Loan #7504	227,542	2.08%
Total	<u>\$4,252,578</u>	

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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 5.1% over 15 years. The final payment is due on June 23, 2021.

The Various Purpose Improvement Bonds (Series 2005) is for the purpose of constructing and installing water lines and related water system improvements. The original bond amount was \$900,000. The Bond are being repaid from the Sewer Capital Improvements Fund, an Enterprise Fund, in semiannual installments of \$43,831, including interest of 4.94 percent over 14 years. The final payment is due on November 30, 2019.

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 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.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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 \$20,456, 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. Official amortization is not yet available. As described in Note 11, this loan is not yet closed.

The Village's taxing authority collateralized all other debts.

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

Year ending Dec. 31:	USDA Water	Various Purpose Impvmt Bonds	Various Purpose Impvmt Bonds	OPWC CP08A	OPWC CP08L	OPWC CP17M	OPWC CP43Q	OWDA 6191	OPWC CP04T
	System Improvement Bond 2001								
		2006	2005	1999	2010	2012	2015	2014	2017
2018	\$ 6,735	\$ 48,097	\$ 87,662	\$ 11,526	\$ 15,937	\$ 7,200	\$ 13,394	\$ 178,780	\$ 1,300
2019	6,600	48,097	87,663	11,525	15,937	7,200	13,394	178,780	2,600
2020	7,465	48,097	0	0	15,937	7,200	13,394	178,780	2,600
2021	7,285	24,048	0	0	15,937	7,200	13,394	178,780	2,600
2022	7,105	0	0	0	15,937	7,200	13,394	178,780	2,600
2023-2027	35,690	0	0	0	47,810	36,001	66,970	893,900	13,000
2028-2032	35,065	0	0	0	0	32,401	66,970	893,900	13,000
2033-2037	14,945	0	0	0	0	0	60,273	893,900	13,000
2038-2042	0	0	0	0	0	0	0	893,900	1,300
2043	0	0	0	0	0	0	0	178,780	0
Total	<u>\$120,890</u>	<u>\$168,339</u>	<u>\$175,325</u>	<u>\$23,051</u>	<u>\$127,495</u>	<u>\$104,402</u>	<u>\$261,183</u>	<u>\$4,648,280</u>	<u>\$52,000</u>

**Leases**

The Village leases copy equipment under non-cancelable leases. The Village disbursed \$4,725 to pay lease costs for the year ended December 31, 2017. The remaining \$3,150 is due in 2018.

**Note 11 – Contingencies**

The Village has an ongoing project entitled WWTP Mechanical Screen & Phosphorus Removal Chemical System. This project has not closed as the Contractor is disputing the final payment amount due. Although the final payment amount is not yet determinable, the Village management is of the position to vigorously defend its case.

**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**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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.



**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 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, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2018, 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.

***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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

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 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 audit the Village of Doylestown's response 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.  
February 27, 2018

VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2017

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2017-001

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.

Material adjustments were made to the financial statements and notes for the year ended December 31, 2017, to properly state cash receipts, cash disbursements, other financing receipts/disbursements and cash fund balances. The audited financial statements and Village records have been adjusted for the material 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.

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 Fiscal Officer will work to provide a sound fiscal environment for the Village and is continually refining policies and procedures to help with financial statement presentation.

**VILLAGE OF DOYLESTOWN  
WAYNE COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2017**

<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>
2016-001	<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. Material adjustments were made to the financial statements in 2016, to properly state cash receipts, cash disbursements, other financing receipts/disbursements and cash fund balances.	No	Repeated as finding 2017-001
2016-002	<u>Noncompliance - Interfund Transfers</u> - Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 provide that no transfer can be made from one fund of a subdivision to any other fund, except for purposes defined by statute. Therefore, transferring cash restricted for one purpose to a fund with a different restricted purpose potentially permits the transfer in violation of the originating fund's restricted purpose.	Yes	Finding No Longer Valid





# 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  
MAY 10, 2018