

**VILLAGE OF PHILLIPSBURG**  
MONTGOMERY COUNTY, OHIO

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED  
DECEMBER 31, 2021 & 2020**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Village Council  
Village of Phillipsburg  
10868 Brookville-Phillipsburg Road  
PO Box 172  
Phillipsburg, Ohio 45354

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Village of Phillipsburg, Montgomery County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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 Phillipsburg is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 20, 2022**

**This page intentionally left blank.**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Phillipsburg  
Montgomery County  
10868 Brookville-Phillipsburg Road  
PO Box 172  
Phillipsburg, Ohio 45354

We have performed the procedures enumerated below on the Village of Phillipsburg's (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village.

The Village Council, Mayor and the management of the Village have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

**Cash**

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. There were \$613 of fund balance adjustments in 2021 identified by the Village Fiscal Officer to properly correct 2020 payment fund postings.
3. We agreed the 2021 and 2020 bank reconciliation UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Cash Summary by Fund Reports and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2021 bank account balance for the Village through the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balance to the amounts appearing in the December 31, 2021 bank reconciliation without exception.

**This page intentionally left blank.**

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the County Auditor Payment Register for 2021 and a total of five from 2020:
  - a. We compared the amount from the above named reports to the amount recorded in the Receipt Export Reports. The amounts agreed.
  - b. We inspected the Receipt Export Reports to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Export Reports to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Export Reports to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Export Reports included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amounts paid from Clay Township to the Village during 2021 and 2020 with Clay Township. We found no exceptions.
  - a. We inspected the Receipt Export Reports to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Receipt Export Reports to determine whether the receipts were recorded in the proper year. We found no exceptions.

#### **Income Tax Receipts**

1. We obtained the December 31, 2021 and 2020 Statement of Income and Expenditures reports submitted by the Central Collection Agency (CCA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes per year to the Village's Receipt Export Reports. The gross income on the reports submitted by CCA reported \$87,621 and \$71,893 for 2021 and 2020, respectively. The Receipt Export Reports reported \$87,704 and \$68,830, respectively due to recording a \$83 revision from CCA as a disbursement instead of a negative receipt and recording a \$3,063 other adjustment from CCA net of receipts instead of a disbursement.

#### **Other Receipts - Emergency Medical Service Receipts**

1. We selected five receipts recorded in the Receipt Export Reports from the year ended December 31, 2021 and five from the year ended December 31, 2020 and:
  - a. Agreed the cash receipt to the credit on the bank statement.
  - b. Agreed the receipt amount credited on the Change Healthcare's Deposit Logs, the service organization that performs the emergency medical billings, but does not collect the receipts for the Village. We found no exceptions.
  - c. Inspected the Receipt Export Reports to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - d. Inspected the Receipt Export Reports to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Water Operating Fund**

1. We selected ten Water Operating Fund collection cash receipts from the year ended December 31, 2021 and ten collection cash receipts from the year ended 2020 recorded in the Receipt Export Reports and determined whether the:
  - a. Receipt amount per the Receipt Export Report agreed to the amount recorded to the credit of the customer's account in the Cash Receipt Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Journal for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the engagement period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
  - c. Receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.
2. We were unable to observe the Aged Customer Balance Report at December 30, 2021 and 2020 as the Village does not print/maintain them at each month end.
3. We observed the Daily Cash Receipts Journal.
  - a. This report listed a total of \$834 and \$446 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
  - b. We selected five non-cash adjustments from 2021 and five non-cash adjustments from 2020, and observed that the President of the Board of Public Affairs did not approve each adjustment, the Utility Clerk approved each adjustment.

**Debt**

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2019. These amounts did not agree to the Village's January 1, 2020 balances on the summary we used in procedure 3. The Ohio Public Works Commission (OPWC) CD02I loan was overstated by \$1,648, the Ohio Water Development Authority (OWDA) 5331 loan was overstated by \$1,937, and the OWDA 8632 loan was overstated by \$11,133.

Issue	Principal outstanding as of December 31, 2019:
OPWC CD02I Water Meter Installation	\$ 21,428
OWDA 5331 Main St. Waterline Replacement	95,625
OWDA 7525 State St. Improvement Phase I	60,132
OWDA 8632 Water Meter Replacement	59,443

2. We inquired of management, and inspected the Receipt Export Reports and Payment Export Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. The OWDA 5331 loan principal payments were understated by \$39 in 2020 in the summary we used in procedure 3.
3. We obtained a summary of bonds and loans debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to Street Construction, Maintenance and Repair, Water Operating, and Sewer Operating fund payments reported in the Payment Export Reports. We also compared the date the debt service payments were due to the date the Village made the payments. We found one payment in 2021 related to the OWDA 7525 Loan was not properly recorded as listed in the amortization schedule, \$16 was recorded as interest instead of principal. We further noted the OWDA 8632 Loan did not have an amortization schedule as the project is not yet complete, however the amounts paid agreed to the invoices.



4. We agreed the amount of debt proceeds received for 2021 and 2020 from the debt documents to amounts recorded in the Water Operating and Fire fund per the Receipt Export Reports. The amounts agreed. The Village properly recorded the proceeds in the respective fund where the related purchases were made from.
5. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Village must use the proceeds to replace water meters as part of an OWDA Loan and replace the concrete apron in front of the fire station. We inspected the Payment Export Reports and observed the Village purchased water meters in February and May of 2020 and replaced the concrete apron in front of the fire station in May of 2021.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Wage Detail Reports and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the employees' personnel files for the Retirement system, Federal, and State income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.  
 We found one employee in 2021 that did not have a state income tax withholding authorization form and one employee in 2020 that did not have retirement system or state income tax withholding authorization forms in their personnel files. Both employees were hired prior to the employment of the current Village Fiscal Officer.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute records. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2021. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	December 24, 2021	\$ 1,853	\$1,853
State income taxes	January 15, 2022	December 30, 2021	\$ 575	\$ 575
Village of Phillipsburg income tax	January 15, 2022	December 30, 2021	\$ 563	\$ 563
OPERS retirement	January 30, 2022	December 30, 2021	\$ 1,950	\$ 1,950
OP&F retirement	January 31, 2022	December 30, 2021	\$ 1,682	\$ 1,682
Arcanm-Butler Local School District Tax	January 18, 2022	December 30, 2021	\$ 22	\$ 22
Milton-Union EV School District Tax	January 18, 2022	December 30, 2021	\$ 28	\$ 28

We found no exceptions.

### Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export Reports for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Export Reports and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

### Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General, State Highway and Coronavirus Relief fund as recorded in the Appropriation Status Reports. Expenditures did not exceed appropriations.
2. We inspected interfund transfers from 2021 and 2020 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Reports for the years ended December 31, 2021 and 2020 for negative cash fund balance. Ohio Rev. Code § 5705.10(1) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

### Sunshine Law Compliance

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected five public records requests from the engagement period and inspected each request to determine the following:
  - a. The Village was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
  - b. The Village did not have any denied public records requests during the engagement period.
  - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired with Village management and determined that the Village did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).

6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found exceptions.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission, as the Village did not have an established Records Commission during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). Two appointed council members serving February 2020 to June 2020 and July 2020 to May 2021 were unable to provide proof of attendance at the required training.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

#### **HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance**

1. We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll and non-payroll transactions and determined the Village:
  - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.We found no exceptions.
2. We inquired with management and inspected the Appropriation Status Report to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. We found no exceptions.

### Other Compliance

1. Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. We found no exceptions.
2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer obtained the required training.

### Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
  - a. Village Utility Clerk is the mother of the Village Fiscal Officer  
We found no exceptions.
2. We viewed the transactions with Uniform Accounting Network Wage Detail Reports and viewed Village Council minutes evidencing annual hourly rate of employee and approval to pay bills. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Julian & Grube, Inc.  
April 28, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF PHILLIPSBURG**

**MONTGOMERY COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/2/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)