

**VILLAGE OF CENTERBURG  
KNOX COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd., Building G  
Zanesville, Ohio 43701**





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

Village Council  
Village of Centerburg  
49 ½ Main Street  
Centerburg, Ohio 43011

We have reviewed the *Independent Accounts' Report on Applying Agreed-Upon Procedures* of the Village of Centerburg, Knox County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the period January 1, 2018 through December 31, 2019. 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 Centerburg is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

May 5, 2020

**This page intentionally left blank.**

**WILSON, PHILLIPS, & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD., BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Centerburg  
49 ½ Main Street  
Centerburg, Ohio 43011

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of Village of Centerburg, Knox County, Ohio (the Village) and the Auditor of State on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transaction 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

**Cash and Investments**

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances to the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2019 and 2018 fund cash balances reported in the Fund Status Reports and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 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, to determine the debits were dated prior to December 31. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2019 and 2018 to the accounting records and banks statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted 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's Cross Reference Report for 2019 and a total of five from 2018.
  - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Register Report 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 Register Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Receipt Register Report included the proper number of tax receipts for each year.

### **Income Tax Receipts**

1. We obtained the December 31, 2019 and 2018 Monthly Distribution Reports submitted by the Regional Income Tax Agency (RITA), 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 Register Report. The amounts agreed.

### **Water and Sewer Operating Funds**

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2019 and 10 Water and Sewer Fund collection cash receipt from the year ended 2018 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Aged Receivables Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Aged Receivables Report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period multiplied by the consumption amount for 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 funds, and was recorded in the year received. We found no exceptions.
2. We observed the Aged Receivables Report.
  - a. This report listed \$25,066 and \$7,754 of accounts receivable as of December 31, 2019 and 2018, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$3,223 and \$1,788 were recorded as more than 90 days delinquent.
3. We observed the Adjustments Transaction List.
  - a. This report listed a total of \$(18,377) and \$(3,164) non-cash adjustments for the years ended December 31, 2019 and 2018, respectively.
  - b. We selected five non-cash adjustments from 2019 and five non-cash adjustments from 2018 and observed that the Fiscal Officer and Water Clerk approved each adjustment.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2017. These amounts agreed to the Villages January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as Of December 31, 2017
OPWC CQ26C	\$ 26,932
OPWC CQ31F	6,464
OPWC CQ16L	72,669
OPWC CQ20Q	9,971
OWDA 6626	8,107,171

2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Wage Detail Report 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). We found no exceptions.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the employees' personnel files and minute record as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
  - c. For any new employees selected in procedure 1 we inspected the employees' personnel file and minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
    - i. Name
    - ii. Authorized salary or pay rate and departments and funds to which the check should be charged
    - iii. Retirement system participation and payroll withholding, Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. Above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

<b>Withholding (plus employer share Where applicable)</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount W/H</b>	<b>Amount</b>
Federal Income Taxes	January 31, 2020	December 20, 2019	\$ 2,975.99	\$ 2,975.99
State Income Taxes	January 31, 2020	December 20, 2019	601.31	601.31
Local Income Taxes	January 31, 2020	December 20, 2019	338.25	338.25
OPERS Retirement	January 31, 2020	January 8, 2020	4,874.52	4,874.52
School District Income Taxes	January 31, 2020	December 20, 2019	254.24	254.24

### **Non-payroll Cash Disbursements**

1. We selected 10 disbursements from the Payment Register Detail Activity Report for the year ended December 31, 2019 and 10 from the year ended 2018 and determined whether:
  - a. The disbursements were for a public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check image agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report 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 Section 5705.41(D). We found no exceptions.

### **Compliance-Budgetary**

1. Ohio Revised Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General Fund, Street Construction Fund and the Sewer Operating Fund, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Status reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10,000 which Ohio Revised Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Revised Code Section 5705.10(I) 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 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 two public records requests from the engagement period and inspected each request to determine the Village was compliant and responded to the request in accordance with their adopted policy. We found no exceptions.
3. There were no denied public records requests from the engagement period.
4. We selected two public records requests with redactions from the engagement period and inspected to determine the Village was redacting records and making the redactions visible, and provided an explanation which included the legal authority to the requester. We found no exceptions.
5. We inquired whether the Village has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/ manager. We found no exceptions.
7. The Village does not have a policy manual.
8. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village. We found no exceptions.
9. We selected four applications submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. We inspected the approval by the Records Commission for the four selected and the review of the schedules. (Note: the records retention schedule is not the same policy as the public records policy). We found no exceptions.
10. We inspected individual training certificates and determined whether each elected official (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
11. 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 are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period 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 inspections – available for public viewing or request.We found no exceptions.
13. We inspected the minutes from the engagement period 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 (where applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

**Other Compliance**

1. Ohio Revised Code Section 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, 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, 2019 and 2018 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***

Zanesville, Ohio

March 23, 2020

OHIO AUDITOR OF STATE  
**KEITH FABER**



**VILLAGE OF CENTERBURG**

**KNOX 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 19, 2020**