



**Auditor of State
Betty Montgomery**

VILLAGE OF CENTERBURG
KNOX COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Centerburg
Knox County
27 North Hartford Street
Centerburg, Ohio 43011

To the Village Council:

We have audited the accompanying financial statements of the Village of Centerburg, Knox County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Village's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio Governments.

We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2003, and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2004, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 30, 2004

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$42,731	\$26,257	\$68,988
Municipal Income Tax	282,496	0	282,496
Intergovernmental Receipts	47,062	55,038	102,100
Fines, Licenses, and Permits	8,362	0	8,362
Earnings on Investments	1,622	434	2,056
Miscellaneous	12,053	0	12,053
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	394,326	81,729	476,055
Cash Disbursements:			
Current:			
Security of Persons and Property	91,707	20,800	112,507
Public Health Services	1,030	0	1,030
Leisure Time Activities	647	0	647
Community Environment	18,362	0	18,362
Transportation	61,238	22,749	83,987
General Government	172,205	464	172,669
Capital Outlay	49,580	0	49,580
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	394,769	44,013	438,782
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	(443)	37,716	37,273
Other Financing Receipts and (Disbursements):			
Sale of Notes	21,197	0	21,197
Transfers-Out	(739)	0	(739)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	20,458	0	20,458
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	20,015	37,716	57,731
Fund Cash Balances, January 1, 2003	<hr/>	<hr/>	<hr/>
	160,797	118,517	279,314
Fund Cash Balances, December 31, 2003	<hr/> \$180,812 <hr/>	<hr/> \$156,233 <hr/>	<hr/> \$337,045 <hr/>
Reserves for Encumbrances, December 31, 2003	<hr/>	<hr/>	<hr/>
	\$497	\$0	\$497

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

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$441,518
Operating Cash Disbursements:	
Personal Services	116,075
Fringe Benefits	43,217
Contractual Services	60,453
Supplies and Materials	25,986
Other	270
Capital Outlay	105,096
Total Operating Cash Disbursements	351,097
Operating Income	90,421
Non-Operating Cash Receipts:	
Loan Proceeds	64,888
Other Non-Operating Receipts	7,639
Total Non-Operating Cash Receipts	72,527
Non-Operating Cash Disbursements:	
Debt Service	
Redemption of Principal	33,191
Interest and Other Fiscal Charges	40,031
Total Non-Operating Cash Disbursements	73,222
Excess of Receipts Over Disbursements Before Interfund Transfers	89,726
Transfers-In	739
Net Receipts Over Disbursements	90,465
Fund Cash Balances, January 1, 2003	265,698
Fund Cash Balances, December 31, 2003	\$356,163
Reserve for Encumbrances, December 31, 2003	\$1,346

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

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$40,924	\$26,808	\$67,732
Municipal Income Tax	236,776	0	236,776
Intergovernmental Receipts	50,326	78,455	128,781
Charges for Services	4,245	0	4,245
Fines, Licenses, and Permits	9,220	0	9,220
Earnings on Investments	2,520	566	3,086
Miscellaneous	8,847	0	8,847
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	352,858	105,829	458,687
Cash Disbursements:			
Current:			
Security of Persons and Property	83,283	20,195	103,478
Public Health Services	983	0	983
Leisure Time Activities	1,038	0	1,038
Community Environment	3,806	0	3,806
Transportation	51,662	62,641	114,303
General Government	170,416	426	170,842
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	311,188	83,262	394,450
Total Receipts Over Disbursements	<hr/>	<hr/>	<hr/>
	41,670	22,567	64,237
Other Financing Disbursements:			
Transfers-Out	<hr/>	<hr/>	<hr/>
	(1,209)	0	(1,209)
Excess of Cash Receipts Over Cash Disbursements and Other Financing Disbursements	40,461	22,567	63,028
Fund Cash Balances, January 1, 2002	<hr/>	<hr/>	<hr/>
	120,336	95,950	216,286
Fund Cash Balances, December 31, 2002	<hr/> \$160,797 <hr/>	<hr/> \$118,517 <hr/>	<hr/> \$279,314 <hr/>

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

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$557,942
Miscellaneous	1,665
	<u>559,607</u>
Operating Cash Disbursements:	
Personal Services	82,912
Fringe Benefits	29,105
Contractual Services	52,979
Supplies and Materials	20,437
Other	277
Capital Outlay	211,209
	<u>396,919</u>
Total Operating Cash Disbursements	<u>396,919</u>
Operating Income	<u>162,688</u>
Non-Operating Cash Disbursements:	
Debt Service	
Redemption of Principal	34,519
Interest and Other Fiscal Charges	37,858
	<u>72,377</u>
Total Non-Operating Cash Disbursements	<u>72,377</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	90,311
Transfers-In	<u>1,209</u>
Net Receipts Over Disbursements	91,520
Fund Cash Balances, January 1, 2002	<u>174,178</u>
Fund Cash Balances, December 31, 2002	<u>\$265,698</u>

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

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Centerburg, Knox County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities. The Village contracts with the Knox County Sheriff's department to provide security of persons and property. The Village contracts with the Central Ohio Joint Fire District to provide fire protection services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Motor Vehicle License Fund - This fund receives permissive motor vehicle license tax money to pay for constructing, maintaining, and repairing Village roads.

Police Levy Fund - This fund receives property tax money for contracted police services with the Knox County Sheriff's Department.

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Enterprise Improvements Fund – This fund receives loan proceeds from the Ohio Public Works Commission (OPWC) to pay for utilities improvement projects.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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 also approve estimated resources.

3. Encumbrances

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2003	2002
Demand deposits	\$693,208	\$545,012

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

In 2003, the Village held \$5,101 in a bank account, payable to the contractor upon completion. The expenditure relating to this retainage account is reflected in the capital outlay account. Therefore, this bank account balance is not reflected in the December 31, 2003, carrying amount of cash stated above.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$515,929	\$415,523	(\$100,406)
Special Revenue	72,644	81,729	9,085
Enterprise	535,821	514,784	(21,037)
Total	\$1,124,394	\$1,012,036	(\$112,358)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$488,301	\$396,005	\$92,296
Special Revenue	70,576	44,013	26,563
Enterprise	484,407	425,665	58,742
Total	\$1,043,284	\$865,683	\$177,601

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$316,585	\$352,858	\$36,273
Special Revenue	92,042	105,829	13,787
Enterprise	501,850	560,816	58,966
Total	\$910,477	\$1,019,503	\$109,026

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$339,437	\$312,397	\$27,040
Special Revenue	95,577	83,262	12,315
Enterprise	500,322	469,296	31,026
Total	\$935,336	\$864,955	\$70,381

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of one 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.

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.

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$454,490	8.35%
Ohio Public Works Commission Loan- Sewer Lines	121,193	0%
Village Office Improvements General Fund Note	21,197	3.65%
Ohio Public Works Commission Loan - Willis Street Project	64,887	0%
Total	<u><u>\$661,767</u></u>	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA originally approved up to \$689,042 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$33,245, including interest, over 25 years.

The Ohio Public Works Commission (OPWC) – Sewer Lines loan relates to a water and sewer line replacement project. The OPWC has approved up to \$134,659 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$3,367 with no interest over 20 years.

The Village issued a note to finance capital improvements to Village administrative offices. The note was secured in November 3, 2003 with First Knox National Bank. For the first 90 days of the note, the principal is to be a line of credit subject to periodic advances until February 1, 2004. Interest upon such periodic advances shall be calculated, invoiced and paid by the Village on February 1, 2004 at which time the regular payment schedule will commence. As of December 31, 2003, the Village had only drawn down \$21,197 through the line of credit. The note will be repaid in annual installments of \$13,383, including interest, over 10 years.

The Ohio Public Works Commission (OPWC) – Willis Street Project loan relates to a sanitary sewer replacement project. The OPWC has approved up to \$64,887 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$1,622 with no interest over 20 years.

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

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. DEBT (Continued)

	OWDA Loan	OPWC Loan - Sewer Lines	Village Office Improvements Note	OPWC - Willis Street Project
Year ending December 31:				
2004	\$66,489	\$6,733	\$13,383	\$2,747
2005	66,489	6,733	13,383	3,245
2006	66,489	6,733	13,383	3,245
2007	66,489	6,733	13,383	3,245
2008	66,489	6,733	13,383	3,245
2009-2014	365,690	40,398	66,917	19,465
2015-2021	-	47,130		22,709
2022-2024	-	-	-	6,986
Total	<u>\$698,135</u>	<u>\$121,193</u>	<u>\$133,832</u>	<u>\$64,887</u>

7. RETIREMENT SYSTEMS

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

8. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles
- Inland Marine; and
- Umbrella Liability

9. JOINTLY GOVERNED ORGANIZATION

Central Ohio Joint Fire District

The Central Ohio Joint Fire District (the District) is a jointly governed organization pursuant to Ohio Revised Code Section 505.371. The District formed in 2000 and consists of Hilliar, Milford, and Liberty Townships and the Village of Centerburg. The District Board consists of a Trustee from each Township, a Council Member from the Village of Centerburg, and an at-Large member appointed by vote of the District Board. Revenues are generated from a 5.5 mil operating levy.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Centerburg
Knox County
27 North Hartford Street
Centerburg, Ohio 43011

To the Village Council:

We have audited the accompanying financial statements of the Village of Centerburg, Knox County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated April 30, 2004, wherein we noted that the Village's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of non-compliance that we have reported to management of the Village in a separate letter dated April 30, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 30, 2004.

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Village of Centerburg
Knox County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 30, 2004

**VILLAGE OF CENTERBURG
KNOX COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-30642-001	ORC 5705.41(D) – failure to certify funds.	No	Partially corrected, included in management letter.
2001-30642-002	ORC 5705.39 – appropriations exceeding estimated resources.	Yes	
2001-30642-003	Internal control weaknesses within the Water and Wastewater departmental operations.	No	Partially corrected, included in management letter.

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**Auditor of State
Betty Montgomery**

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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
JUNE 10, 2004**