

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2006 and 2005

MARSHA HAINES, FISCAL OFFICER



Mary Taylor, CPA

Auditor of State

Members of Council and Mayor
Village of Jamestown
84 Seaman Drive
Jamestown, Ohio 45335-1589

We have reviewed the *Independent Auditor's Report* of the Village of Jamestown, Greene County, prepared by Julian & Grube, Inc., for the audit period January 1, 2005 through December 31, 2006. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Jamestown is responsible for compliance with these laws and regulations.

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Mary Taylor, CPA
Auditor of State

September 6, 2007

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**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
Village of Jamestown
84 Seaman Drive
Jamestown, OH 45335-1589

We have audited the accompanying financial statements of the Village of Jamestown (the "Village"), Greene County, as of and for the years ended December 31, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Village prepared these financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for December 31, 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for December 31, 2006 and 2005. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Village of Jamestown, as of December 31, 2006 and 2005, or its changes in financial position or cash flows of its proprietary fund type for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash fund balances of the Village of Jamestown, Greene County, as of and for the years ended December 31, 2006 and 2005, and its combined cash receipts and disbursements and combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

Independent Auditor's Report
Village of Jamestown
Page 2

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The Village has not represented Management's Discussion and Analysis which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2007, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
July 2, 2007

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2006 AND 2005

<u>Cash and Cash Equivalents</u>	2006	2005
Cash and Cash Equivalents	\$ 770,205	\$ 619,664
Total Cash and Cash Equivalents	\$ 770,205	\$ 619,664
<u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 165,478	\$ 111,792
Special Revenue Funds	36,914	832
Capital Projects Fund	44,601	42,392
Total Governmental Fund Types	246,993	155,016
<u>Proprietary Fund Type:</u>		
Enterprise Funds	523,212	464,648
Total Fund Balances	\$ 770,205	\$ 619,664

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 224,157	\$ 198,531	\$ -	\$ 422,688
Intergovernmental	112,846	161,289	584,007	858,142
Charges for services	37	37	-	74
Fines, licenses, and permits	17,840	-	-	17,840
Interest	9,498	12	-	9,510
Miscellaneous	-	4,693	-	4,693
Total cash receipts	<u>364,378</u>	<u>364,562</u>	<u>584,007</u>	<u>1,312,947</u>
Cash disbursements:				
Current:				
Security of persons and property	22,804	286,669	-	309,473
Public health services	3,971	-	-	3,971
Leisure time activities	1,142	64,600	-	65,742
Community environment	2,265	-	-	2,265
Transportation	-	83,554	-	83,554
General government	159,811	15,657	-	175,468
Capital outlay	-	-	582,075	582,075
Total cash disbursements	<u>189,993</u>	<u>450,480</u>	<u>582,075</u>	<u>1,222,548</u>
Total cash receipts over/(under) cash disbursements	<u>174,385</u>	<u>(85,918)</u>	<u>1,932</u>	<u>90,399</u>
Other financing receipts/(disbursements):				
Operating transfers in	-	122,000	-	122,000
Operating transfers out	(122,000)	-	-	(122,000)
Other sources	1,301	-	277	1,578
Total other financing receipts/(disbursements)	<u>(120,699)</u>	<u>122,000</u>	<u>277</u>	<u>1,578</u>
Excess of cash receipts and other financing receipts (under) cash disbursements and other financing disbursements	53,686	36,082	2,209	91,977
Cash fund balances, January 1, 2006	<u>111,792</u>	<u>832</u>	<u>42,392</u>	<u>155,016</u>
Cash fund balances, December 31, 2006	<u>\$ 165,478</u>	<u>\$ 36,914</u>	<u>\$ 44,601</u>	<u>\$ 246,993</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2006

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 565,253
Total operating cash receipts	565,253
Operating cash disbursements:	
Personal services	108,471
Employee fringe benefits	26,178
Contractual services	156,914
Supplies and material	39,317
Capital outlay	25,123
Miscellaneous	965
Total operating cash disbursements	356,968
Operating income	208,285
Nonoperating cash receipts/(disbursements):	
Intergovernmental receipts	122,447
Miscellaneous receipts	506
Debt service:	
Principal	(125,474)
Interest	(147,200)
Total nonoperating cash receipts/(disbursements)	(149,721)
Income before operating transfers	58,564
Transfers in	240,000
Transfers out	(240,000)
Net income	58,564
Cash fund balances, January 1, 2006	464,648
Cash fund balances, December 31, 2006	\$ 523,212

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2006 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2006 Appropriations	Total	Actual 2006 Disbursements	Encumbrances Outstanding at 12/31/06	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 101,498	\$ 348,819	\$ 450,317	\$ 365,679	\$ 16,860	\$ 1,007	\$ 410,608	\$ 411,615	\$ 311,993	\$ 12,910	\$ 324,903	\$ 86,712
Special Revenue	7,408	479,082	486,490	486,562	7,480	3,063	484,605	487,668	450,480	5,230	455,710	31,958
Capital Projects	42,115	584,284	626,399	584,284	-	277	581,798	582,075	582,075	-	582,075	-
Proprietary:												
Enterprise	435,039	895,974	1,331,013	928,206	32,232	29,255	1,286,486	1,315,741	869,642	4,850	874,492	441,249
Total												
(Memorandum Only)	\$ 586,060	\$ 2,308,159	\$ 2,894,219	\$ 2,364,731	\$ 56,572	\$ 33,602	\$ 2,763,497	\$ 2,797,099	\$ 2,214,190	\$ 22,990	\$ 2,237,180	\$ 559,919

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 224,300	\$ 186,893	\$ -	\$ 411,193
Intergovernmental	82,318	140,599	142,123	365,040
Special assessments	-	100	-	100
Charges for services	19	3	-	22
Fines, licenses, and permits	16,058	-	-	16,058
Interest	4,763	8	-	4,771
Miscellaneous	-	1,578	-	1,578
Total cash receipts	<u>327,458</u>	<u>329,181</u>	<u>142,123</u>	<u>798,762</u>
Cash disbursements:				
Current:				
Security of persons and property	26,243	287,973	-	314,216
Public health services	4,293	-	-	4,293
Leisure time activities	2,234	-	-	2,234
Community environment	2,833	-	-	2,833
Basic utility services	4,865	-	-	4,865
Transportation	1,500	152,793	-	154,293
General government	261,436	20,654	-	282,090
Capital outlay	-	-	99,731	99,731
Total cash disbursements	<u>303,404</u>	<u>461,420</u>	<u>99,731</u>	<u>864,555</u>
Total cash receipts over/(under) cash disbursements	<u>24,054</u>	<u>(132,239)</u>	<u>42,392</u>	<u>(65,793)</u>
Other financing receipts/(disbursements):				
Operating transfers in	-	111,500	-	111,500
Operating transfers out	(111,500)	-	-	(111,500)
Other sources	8,662	-	-	8,662
Total other financing receipts/(disbursements)	<u>(102,838)</u>	<u>111,500</u>	<u>-</u>	<u>8,662</u>
Excess of cash receipts and other financing receipts (under) cash disbursements and other financing disbursements	(78,784)	(20,739)	42,392	(57,131)
Cash fund balances, January 1, 2005	<u>190,576</u>	<u>21,571</u>	<u>-</u>	<u>212,147</u>
Cash fund balances, December 31, 2005	<u>\$ 111,792</u>	<u>\$ 832</u>	<u>\$ 42,392</u>	<u>\$ 155,016</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2005

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 512,283
Total operating cash receipts	512,283
Operating cash disbursements:	
Personal services	118,404
Employee fringe benefits	22,926
Contractual services	131,829
Supplies and material	44,883
Capital outlay	36,750
Miscellaneous	500
Total operating cash disbursements	355,292
Operating income	156,991
Nonoperating cash receipts/(disbursements):	
Intergovernmental receipts	122,447
Miscellaneous receipts	983
Other financing sources	4,429
Debt service:	
Principal	(125,645)
Interest	(150,979)
Total nonoperating cash receipts/(disbursements)	(148,765)
Income before operating transfers	8,226
Transfers in	190,000
Transfers out	(190,000)
Net income	8,226
Cash fund balances, January 1, 2005	456,422
Cash fund balances, December 31, 2005	\$ 464,648

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2005 Receipts	Variance Favorable (Unfavorable)	Restated Prior Year Carryover Appropriations	2005 Appropriations	Total	Actual 2005 Disbursements	Encumbrances Outstanding at 12/31/05	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 161,500	\$ 329,555	\$ 491,055	\$ 336,120	\$ 6,565	\$ 19,788	\$ 430,445	\$ 450,233	\$ 414,904	\$ 1,007	\$ 415,911	\$ 34,322
Special Revenue	27,213	439,548	466,761	440,681	1,133	3,995	466,760	470,755	461,420	3,063	464,483	6,272
Capital Projects	-	142,123	142,123	142,123	-	-	142,123	142,123	99,731	277	100,008	42,115
Proprietary:												
Enterprise	432,392	786,000	1,218,392	830,142	44,142	23,678	1,218,392	1,242,070	821,916	29,255	851,171	390,899
Total												
(Memorandum Only)	\$ 621,105	\$ 1,697,226	\$ 2,318,331	\$ 1,749,066	\$ 51,840	\$ 47,461	\$ 2,257,720	\$ 2,305,181	\$ 1,797,971	\$ 33,602	\$ 1,831,573	\$ 473,608

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Jamestown, Greene County, (the “Village”) is a body corporate and politic established for exercising 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, park operations (leisure time activities), and police 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 most significant of the Village’s accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

Governmental Fund Types

General Fund

The general fund is used to account for all activities of the Village not required to be included 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 Fund

These funds are used to account for proceeds of specific revenue sources (other than from trusts or for capital projects) that are legally restricted to expenditure for specific purposes.

The Village had the following significant special revenue fund:

Police Protection Fund - This fund receives income and property tax money to provide police protection for the Village.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following Capital Project Fund:

Western/Southern Fund - This fund receives monies from Ohio Public Works Commission (OPWC) accounts for all transactions relating to the projects construction.

Proprietary Fund Type

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 costs of providing the citizens of the Village with water services.

Sewer Fund - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with sewer services.

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.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The primary level of budgetary control is at the object level within a department and fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council. The Village had several budget modifications throughout the year for the years ended December 31, 2006 and 2005.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except certain agency funds, are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were outstanding encumbrances at December 31, 2006 and December 31, 2005.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$9,510 and \$4,771 for the years ended December 31, 2006 and 2005, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded by the Village.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers.

Transfers are intended to permanently reallocate money from one fund to another as authorized in the Ohio Revised Code Section 5705.14 to 5705.16.

H. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - CASH AND CASH EQUIVALENTS

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

	<u>2006</u>	<u>2005</u>
Deposits:		
Demand deposits	\$ 770,205	\$ 619,664
Total Cash and Cash Equivalents	<u>\$ 770,205</u>	<u>\$ 619,664</u>

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 3 - CASH AND CASH EQUIVALENTS – (Continued)

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution’s public entity deposit pool.

NOTE 4 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the Village’s operating transfers for 2006:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 122,000
<u>Special Revenue Funds:</u>		
Street Construction, Maintenance and Repair	7,000	-
Police Protection	<u>115,000</u>	<u>-</u>
Total Special Revenue Funds	<u>122,000</u>	<u>-</u>
<u>Enterprise Funds:</u>		
Water Capital Improvement	20,000	-
Sewer Capital Improvement	40,000	-
Water Operating	-	56,000
Sewer Operating	-	184,000
Water Debt Service	36,000	-
Wastewater Debt Service	120,000	-
Sewer Debt Service	<u>24,000</u>	<u>-</u>
Total Enterprise Funds	<u>240,000</u>	<u>240,000</u>
Total	<u>\$ 362,000</u>	<u>\$ 362,000</u>

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

The following is a summarized breakdown of the Village's operating transfers for 2005:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 111,500
<u>Special Revenue Funds:</u>		
Street Construction, Maintenance and Repair	5,000	-
Police Protection	106,500	-
County Permissive Tax	-	-
Total Special Revenue Funds	<u>111,500</u>	<u>-</u>
<u>Enterprise Funds:</u>		
Water Capital Improvement	20,000	-
Sewer Capital Improvement	20,000	-
Water Operating	-	56,000
Sewer Operating	-	134,000
Water Debt Service	36,000	-
Wastewater Debt Service	<u>114,000</u>	<u>-</u>
Total Enterprise Funds	<u>190,000</u>	<u>190,000</u>
 Total	 <u>\$ 301,500</u>	 <u>\$ 301,500</u>

The transfers from the General fund to the special revenue funds were to subsidize operations. The transfers in the enterprise funds were from the operating funds for the debt service reserve funds and capital maintenance funds in accordance with debt covenants.

The transfers in the years ended December 31, 2006 and 2005 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2006, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/06</u>	<u>Balance at 12/31/05</u>
2003 Ohio Public Works Commission (OPWC) note for the construction of the Village wastewater treatment plant, due in semi-annual installments of \$4,680 through 2024 at 0% interest.	\$ 163,789	\$ 173,149
2002 Ohio Water Development Authority (OWDA) construction note for the construction of Village wastewater treatment plant, due in semi-annual installments of \$113,058 through 2035 at 1.55% interest.	4,206,530	4,299,644
1980 Mortgage Revenue Bonds, due in annual installments of varying amounts through 2015 at 5% interest.	<u>261,000</u>	<u>284,000</u>
Total debt obligations	<u>\$ 4,631,319</u>	<u>\$ 4,756,793</u>

Transactions for the years ended December 31, 2006 and 2005, are summarized as follows:

<u>2006</u>	<u>Balance at 01/01/06</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/06</u>
OPWC (2003 Construction)	\$ 173,149	\$ -	\$ 9,360	\$ 163,789
OWDA (2002 Construction)	4,299,644	-	93,114	4,206,530
Mortgage Revenue Bonds	284,000	-	23,000	261,000
Total	<u>\$ 4,756,793</u>	<u>\$ -</u>	<u>\$ 125,474</u>	<u>\$ 4,631,319</u>

<u>2005</u>	<u>Balance at 01/01/05</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/05</u>
OPWC (2003 Construction)	\$ 182,509	\$ -	\$ 9,360	\$ 173,149
OWDA (2002 Construction)	4,389,929	-	90,285	4,299,644
Mortgage Revenue Bonds	310,000	-	26,000	284,000
Total	<u>\$ 4,882,438</u>	<u>\$ -</u>	<u>\$ 125,645</u>	<u>\$ 4,756,793</u>

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

NOTE 5 - DEBT OBLIGATIONS – (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2006 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 129,392	\$ 143,132
2008	133,402	138,922
2009	137,506	134,568
2010	141,708	130,067
2011	147,009	125,415
2012 - 2016	773,312	550,710
2017 - 2021	742,837	434,534
2022 - 2026	840,249	318,458
2027 - 2031	947,678	182,897
2032 - 2035	638,226	35,440
Total	<u>\$ 4,631,319</u>	<u>\$ 2,194,143</u>

NOTE 6 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 January 20. If the property owner elects to make semiannual payments, the first half is due January 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.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

NOTE 7 - RETIREMENT SYSTEMS

Certain Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. Certain Village employees belong to the Ohio Police & Fire Pension Fund (OP&F).

Contribution rates are also prescribed by the Ohio Revised Code. For 2006 and 2005, OPERS members contributed 9.0% and 8.5% of their gross salaries, respectively. The Village contributed an amount equal to 13.70% and 13.55% of participants' gross salaries for the years ended December 31, 2006 and 2005, respectively. For 2006 and 2005 the Village OP&F members contributed an amount equal to 10% of their gross salaries. The Village contributed an amount equal to 19.5% and 24.0% for OP&F members, for the years ended December 31, 2006 and 2005. The Village has paid all contributions required under both plans through December 31, 2006 and 2005.

NOTE 8 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

NOTE 9 - MAYOR'S COURT

The Village contracted with the City of Xenia to process and collect fines issued by its police department for the years ended December 31, 2006 and 2005.

NOTE 10 - LOCAL INCOME TAX

This locally levied tax of one-half percent applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Income tax receipts are credited to the General fund and the Special Revenue fund income tax. Total income tax receipts collected in 2006 and 2005, were \$149,088 and \$144,966, respectively.

**VILLAGE OF JAMESTOWN
GREENE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

NOTE 11 - CONTINGENT LIABILITIES

The Village is not currently involved in litigation.



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor
Village of Jamestown
84 Seaman Drive
Jamestown, Ohio 45335-1589

We have audited the financial statements of the Village of Jamestown, Greene County, Ohio, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 2, 2007, wherein we noted the Village of Jamestown followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Jamestown's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Jamestown's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Jamestown's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Jamestown's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of Jamestown's financial statements that is more than inconsequential will not be prevented or detected by the Village of Jamestown's internal control.

Members of Council and Mayor
Village of Jamestown

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Jamestown's internal control.

Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Jamestown's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Village of Jamestown in a separate letter dated July 2, 2007.

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



Julian & Grube, Inc.
July 2, 2007



Mary Taylor, CPA
Auditor of State

VILLAGE OF JAMESTOWN

GREENE 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
SEPTEMBER 18, 2007**