

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2000 AND 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Village of Jackson Center
Jackson Center, Ohio

We have reviewed the independent auditor's report of the Village of Jackson Center, Shelby County, prepared by E.S. Evans and Company, Certified Public Accountants, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Jackson Center is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

June 28, 2001

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VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

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VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

ELECTED OFFICIALS
December 31, 2000

<u>Official</u>	<u>Term Expires</u>	<u>Surety</u>	<u>Amount</u>
Mayor			
Scott Klopfenstein	12-31-2003		
Council Members			
Marvin Rostorfer	12-31-2001		
Kenneth Gloyeske	12-31-2003		
Deb Elliott	12-31-2001		
Tim Smith	12-31-2003		
Quentin Reese	12-31-2001		
Terry Coleman	12-31-2003		
Clerk/Treasurer			
Brad Wren	3-31-2004	(A)	10,000

(A) Ohio Government Risk Management Plan of the State of Ohio

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Types:

Street Construction, Maintenance and Repair Fund

State Highway Improvement Fund

Community Reinvestment Area Fund

Mayors Court Computer Fund

Fire Engine Fund

Enforcement and Education Fund

Debt Service Fund Types:

General Obligation Bond Retirement Fund

Capital Projects Fund Types:

Capital Improvement Fund

General Improvement Fund

WWTP Replacement Fund

Well Replacement Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Types:

Water Revenue Fund

Sanitary Sewer Revenue Fund

Electric Fund

Swimming Pool Fund

Utilities Deposit Fund

Refuse Fund

FIDUCIARY FUND TYPE:

Agency Fund Type:

Income Tax Fund



E.S. Evans and Company

Certified Public Accountants and Consultants

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

May 25, 2001

INDEPENDENT AUDITOR'S REPORT

Village of Jackson Center
Shelby County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the accompanying combined financial statements of the Village of Jackson Center, as of and for the years ended December 31, 2000 and 1999. These combined financial statements are the responsibility of the Village of Jackson Center's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards 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 combined 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.

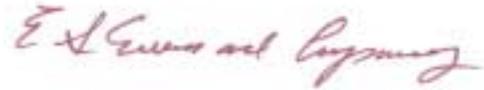
As discussed in Note 1, the Village of Jackson Center prepares its combined financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of the Village of Jackson Center, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements and its 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 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 25, 2001 on our consideration of the Village of Jackson Center's internal control over financial reporting and on 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.

Village of Jackson Center
Auditor of State of Ohio
May 25, 2001
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This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.25, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in red ink, appearing to read "E. J. ...", is located in the lower right quadrant of the page.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH, INVESTMENTS,
AND FUND CASH BALANCES - ALL FUND TYPES

December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>POOLED CASH AND INVESTMENTS</u>		
Cash	\$ 782,163	\$ 887,137
Investments	<u>798,955</u>	<u>844,940</u>
Total	<u>\$ 1,581,118</u>	<u>\$ 1,732,077</u>

POOLED CASH AND INVESTMENT BALANCES BY FUND TYPE

Governmental Funds:

General Fund	\$ 192,179	\$ 208,310
Special Revenue Funds	114,872	98,005
Debt Service Funds	4,919	140,714
Capital Projects Funds	236,572	467,950

Proprietary Funds:

Enterprise Funds	804,632	724,154
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Fiduciary Funds:

Agency Funds	<u>227,944</u>	<u>92,944</u>
Total	<u>\$ 1,581,118</u>	<u>\$ 1,732,077</u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 2000

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Revenue Receipts:</u>			
Local Taxes	\$ 85,327	\$ 59,129	\$ 75,199
Intergovernmental Revenues	92,751	-	-
Charges for Services	9,186	16,847	21,410
Fines, Licenses, and Permits	7,555	1,060	-
Interest Income	53,090	-	-
Miscellaneous	3,552	-	-
Total Revenue Receipts	251,461	77,036	96,609
<u>Expenditure Disbursements:</u>			
Current -			
Security of Persons and Property	135,283	-	-
Leisure Time Activities	20,306	-	-
Community Environment	1,706	-	-
Basic Utility Services	-	-	-
Transportation	56,709	60,169	-
General Government	53,588	-	-
Capital Outlay	-	-	-
Intergovernmental Outlay	-	-	-
Debt Service -			
Redemption of Principal	-	-	170,284
Interest	-	-	62,120
Total Expenditure Disbursements	267,592	60,169	232,404
Total Revenue Receipts Over/(Under)			
Expenditure Disbursements	(16,131)	16,867	(135,795)
<u>Other Financing Sources (Uses):</u>			
Proceeds from Notes/Bonds	-	-	-
Excess of Receipts and Other Sources Over/ (Under) Disbursements and Other Uses	(16,131)	16,867	(135,795)
<u>Fund Cash Balance - January 1, 2000</u>	208,310	98,005	140,714
<u>Fund Cash Balance - December 31, 2000</u>	\$ 192,179	\$ 114,872	\$ 4,919

The accompanying notes are an integral part
of these financial statements.

<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$ 438,397	\$ 658,052
243,846	336,597
-	47,443
-	8,615
-	53,090
150	3,702
<u>682,393</u>	<u>1,107,499</u>
2,541	137,824
9,048	29,354
-	1,706
158,859	158,859
153,395	270,273
116	53,704
325,172	325,172
243,846	243,846
776,149	946,433
19,645	81,765
<u>1,688,771</u>	<u>2,248,936</u>
<u>(1,006,378)</u>	<u>(1,141,437)</u>
<u>775,000</u>	<u>775,000</u>
(231,378)	(366,437)
467,950	914,979
<u>\$ 236,572</u>	<u>\$ 548,542</u>

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1999

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Revenue Receipts:</u>			
Local Taxes	\$ 66,136	\$ -	\$ 104,718
Intergovernmental Revenues	93,262	58,175	-
Charges for Services	8,352	16,435	22,062
Fines, Licenses, and Permits	10,715	323	-
Interest Income	72,829	-	-
Miscellaneous	8,788	-	-
Total Revenue Receipts	260,082	74,933	126,780
<u>Expenditure Disbursements:</u>			
Current -			
Security of Persons and Property	138,814	-	-
Leisure Time Activities	7,204	-	-
Community Environment	1,595	-	-
Basic Utility Services	-	-	-
Transportation	88,541	52,158	-
General Government	54,476	-	-
Capital Outlay	-	-	-
Intergovernmental Outlay	-	-	-
Debt Service -			
Redemption of Principal	-	-	39,851
Interest	-	-	61,395
Total Expenditure Disbursements	290,630	52,158	101,246
Total Revenue Receipts Over/(Under)			
Expenditure Disbursements	(30,548)	22,775	25,534
<u>Other Financing Sources (Uses):</u>			
Proceeds from Notes/Bonds	-	-	-
Excess of Receipts and Other Sources Over/ (Under) Disbursements and Other Uses			
	(30,548)	22,775	25,534
<u>Fund Cash Balance - January 1, 1999</u>	238,858	75,230	115,180
<u>Fund Cash Balance - December 31, 1999</u>	\$ 208,310	\$ 98,005	\$ 140,714

The accompanying notes are an integral part
of these financial statements.

	<u>Capital Projects</u>		<u>Totals (Memorandum Only)</u>
\$	489,781	\$	660,635
	97,132		248,569
	-		46,849
	-		11,038
	-		72,829
	2,382		11,170
	<u>589,295</u>		<u>1,051,090</u>
	1,299		140,113
	23,548		30,752
	-		1,595
	73,924		73,924
	127,190		267,889
	18,026		72,502
	717,398		717,398
	97,132		97,132
	1,150,000		1,189,851
	31,050		92,445
	<u>2,239,567</u>		<u>2,683,601</u>
	<u>(1,650,272)</u>		<u>(1,632,511)</u>
	<u>900,000</u>		<u>900,000</u>
	(750,272)		(732,511)
	1,218,222		1,647,490
\$	<u><u>467,950</u></u>	\$	<u><u>914,979</u></u>

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCE - PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended December 31, 2000

	Proprietary Fund Enterprise	Fiduciary Fund Agency	Totals (Memorandum Only)
<u>Operating Receipts:</u>			
Charges for Services	\$ 1,281,925	\$ -	\$ 1,281,925
Interest Income	31,844	-	31,844
Miscellaneous	59,005	-	59,005
Total Operating Receipts	1,372,774	-	1,372,774
<u>Operating Disbursements:</u>			
Personnel Services	303,562	12,016	315,578
Travel Transportation	2,560	-	2,560
Contractual Services	846,644	17,712	864,356
Material and Supplies	118,775	41,922	160,697
Capital Outlay	10,300	-	10,300
Total Operating Disbursements	1,281,841	71,650	1,353,491
Excess of Cash Operating Receipts Over/ (Under) Operating Disbursements	90,933	(71,650)	19,283
<u>Non-Operating Receipts/(Disbursements):</u>			
Local Taxes	-	647,876	647,876
Debt Service	(10,455)	-	(10,455)
Other	-	(441,226)	(441,226)
Total Non-Operating Receipts/(Disbursements)	(10,455)	206,650	196,195
Excess of Net Cash Receipts Over/(Under) Disbursements	80,478	135,000	215,478
<u>Fund Cash Balance - January 1, 2000</u>	724,154	92,944	817,098
<u>Fund Cash Balance - December 31, 2000</u>	\$ 804,632	\$ 227,944	\$ 1,032,576

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCE - PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended December 31, 1999

	<u>Proprietary Fund Enterprise</u>	<u>Fiduciary Fund Agency</u>	<u>Totals (Memorandum Only)</u>
<u>Operating Receipts:</u>			
Charges for Services	\$ 1,294,719	\$ -	\$ 1,294,719
Interest Income	31,281	-	31,281
Miscellaneous	44,977	-	44,977
Total Operating Receipts	<u>1,370,977</u>	<u>-</u>	<u>1,370,977</u>
<u>Operating Disbursements:</u>			
Personnel Services	301,219	10,877	312,096
Travel Transportation	2,086	-	2,086
Contractual Services	874,193	15,791	889,984
Material and Supplies	137,481	12,737	150,218
Capital Outlay	275,170	-	275,170
Total Operating Disbursements	<u>1,590,149</u>	<u>39,405</u>	<u>1,629,554</u>
Excess of Cash Operating Receipts Over/ (Under) Operating Disbursements	<u>(219,172)</u>	<u>(39,405)</u>	<u>(258,577)</u>
<u>Non-Operating Receipts/(Disbursements):</u>			
Local Taxes	-	617,429	617,429
Debt Service	(10,455)	-	(10,455)
Other	-	(591,078)	(591,078)
Total Non-Operating Receipts/(Disbursements)	<u>(10,455)</u>	<u>26,351</u>	<u>15,896</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	(229,627)	(13,054)	(242,681)
<u>Fund Cash Balance - January 1, 1999</u>	<u>953,781</u>	<u>105,998</u>	<u>1,059,779</u>
<u>Fund Cash Balance - December 31, 1999</u>	<u>\$ 724,154</u>	<u>\$ 92,944</u>	<u>\$ 817,098</u>

The accompanying notes are an integral part
of these financial statements.

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VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL

For the Years Ended December 31, 2000 and 1999

<u>Fund Types/Funds:</u>	2000		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Governmental:</u>			
General	\$ 423,391	\$ 251,461	\$ (171,930)
Special Revenue	150,163	77,036	(73,127)
Debt Service	237,714	96,609	(141,105)
Capital Projects	674,526	1,457,393	782,867
<u>Proprietary:</u>			
Enterprise	1,957,233	1,372,774	(584,459)
<u>Fiduciary:</u>			
Agency	742,944	647,876	(95,068)
<u>Total (Memorandum Only)</u>	\$ 4,185,971	\$ 3,903,149	\$ (282,822)
1999			
<u>Fund Types/Funds:</u>	Budget	Actual	Variance Favorable (Unfavorable)
<u>Governmental:</u>			
General	\$ 455,812	\$ 260,082	\$ (195,730)
Special Revenue	127,822	74,933	(52,889)
Debt Service	221,180	126,780	(94,400)
Capital Projects	2,019,286	1,489,295	(529,991)
<u>Proprietary:</u>			
Enterprise	2,065,448	1,370,977	(694,471)
<u>Fiduciary:</u>			
Agency	705,960	617,429	(88,531)
<u>Total (Memorandum Only)</u>	\$ 5,595,508	\$ 3,939,496	\$ (1,656,012)

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

**COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY**

For the Years Ended December 31, 2000 and 1999

<u>Fund Types/Funds:</u>	<u>Prior Year Carryover Appropriation</u>	<u>2000 Appropriation</u>	<u>Total</u>
<u>Governmental:</u>			
General	\$ 6,387	\$ 423,108	\$ 429,495
Special Revenue	842	149,958	150,800
Debt Service	-	237,000	237,000
Capital Projects	88,243	1,049,345	1,137,588
<u>Proprietary:</u>			
Enterprise	64,921	1,956,827	2,021,748
<u>Fiduciary:</u>			
Agency	-	742,930	742,930
<u>Total (Memorandum Only)</u>	<u>\$ 160,393</u>	<u>\$ 4,559,168</u>	<u>\$ 4,719,561</u>

<u>Fund Types/Funds:</u>	<u>Prior Year Carryover Appropriation</u>	<u>1999 Appropriation</u>	<u>Total</u>
<u>Governmental:</u>			
General	\$ 921	\$ 453,153	\$ 454,074
Special Revenue	2,808	127,725	130,533
Debt Service	-	221,000	221,000
Capital Projects	70,936	2,018,992	2,089,928
<u>Proprietary:</u>			
Enterprise	66,334	2,064,912	2,131,246
<u>Fiduciary:</u>			
Agency	39	705,862	705,901
<u>Total (Memorandum Only)</u>	<u>\$ 141,038</u>	<u>\$ 5,591,644</u>	<u>\$ 5,732,682</u>

The accompanying notes are an integral part
of these financial statements.

<u>2000 Actual Disbursements</u>	<u>Encumbrances Outstanding at 12-31-00</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 267,592	\$ 27,873	\$ 295,465	\$ 134,030
60,169	6,932	67,101	83,699
232,404	-	232,404	4,596
1,688,771	61,528	1,750,299	(612,711)
1,292,296	25,437	1,317,733	704,015
<u>512,876</u>	<u>2,492</u>	<u>515,368</u>	<u>227,562</u>
<u>\$ 4,054,108</u>	<u>\$ 124,262</u>	<u>\$ 4,178,370</u>	<u>\$ 541,191</u>

<u>1999 Actual Disbursements</u>	<u>Encumbrances Outstanding at 12-31-99</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 290,630	\$ 6,387	\$ 297,017	\$ 157,057
52,158	842	53,000	77,533
101,246	-	101,246	119,754
2,239,567	88,243	2,327,810	(237,882)
1,600,604	64,921	1,665,525	465,721
<u>630,483</u>	<u>-</u>	<u>630,483</u>	<u>75,418</u>
<u>\$ 4,284,205</u>	<u>\$ 160,393</u>	<u>\$ 4,444,598</u>	<u>\$ 1,288,084</u>

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The Village of Jackson Center is a political and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under a council/mayor form of government and provides the following services: public safety, health, recreation, street maintenance, water, sewer and electric facilities, and general administrative services.

The Village's management believes the financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

Basis of Accounting

The Village prepares its financial statements on a basis of cash receipts and disbursements. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. A general fixed asset group and long-term debt group of accounts are not recorded on the financial statements by the Village under the basis of accounting used. This basis of accounting is prescribed in the Ohio Administrative Code sections 117-5-01 to 117-5-18 and is permitted by the Auditor of State of Ohio.

Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations. The Village uses the following major fund types:

Governmental Funds

General Fund

The General Fund accounts for all the revenues and expenditures of the Village that are not required to be accounted for in other funds.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies - (continued)

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital projects and expendable trusts), the expenditures for which are legally restricted to for specific purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Fund

The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds).

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies - (continued)

Fiduciary Funds

Agency Funds

Fiduciary funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Village's fiduciary funds include an agency fund. The agency fund accounts for the income tax collections of the Village.

Budgets

The Village is required by state law to adopt annual budgets for all funds. Each budget is presented on the cash basis of accounting. The tax budget of estimated cash receipts and disbursements is required to be submitted to the County Auditor, as secretary of the County Budget Commission, by July 15 of each year, for the following year.

Estimated Resources

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, this certificate is amended to include any unencumbered balances from the preceding year. 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. Budget receipts as shown in the accompanying financial statements do not include January 1, 1999 or January 1, 2000 unencumbered fund balances. However, those fund balances are available for appropriations.

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

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 – Summary of Significant Accounting Policies

Encumbrances

The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, 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.

Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

Total Columns on Financial Statements

Total columns on the financial statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

Note 2 - Cash and Investments

The Village maintains a cash and investment pool used by all funds. Each fund type’s portion of this pool is displayed on the Combined Statement of Cash and Investments as “Pooled Cash and Investments Balances By Fund Type”.

Legal Requirements

Statutes require the classification of moneys held by the Village into three categories:

Category 1 - consists of “active” moneys, those moneys required to be kept in a “cash” or “near-cash” status for immediate use by the Village. Such moneys must be maintained either as cash in the Village’s treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 2 – Cash and Investments – (continued)

Legal Requirements – (continued)

Category 2 - consists of “inactive” moneys, those moneys not required for use within the current two year period of designation of depositories. Inactive moneys may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 - consists of “interim” moneys, those moneys which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim moneys may be invested or deposited in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim moneys;
5. Bonds and other obligations of the State of Ohio; and
6. The State Treasurer’s investment pool.

Deposits

At December 31, 2000 and 1999, the carrying amount of the Village of Jackson Center’s deposits were \$782,163 and \$887,137, and the bank balances were \$790,682 and \$935,425, respectively. The Village was insured for \$200,000 by the federal depository insurance. The remaining balance was covered by collateral deposit of securities with qualified trustee as pledged to the Village.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 2 - Cash and Investments - (continued)

Investments

The Village of Jackson Center invests in the State of Ohio Treasurer's investment pool, "Star Ohio". Star Ohio is unclassified under the Governmental Accounting Standards Board Statement Number 3.

	<u>Carrying Value</u>	<u>Market Value</u>
<u>December 31, 2000</u>		
Investment in State Treasurer's investment pool - Star Ohio (unclassified)	\$ <u>798,955</u>	\$ <u>798,955</u>
<u>December 31, 1999</u>		
Investment in State Treasurer's investment pool - Star Ohio (unclassified)	\$ <u>844,940</u>	\$ <u>844,940</u>

Note 3 - Property Tax

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the calendar years ended December 31, 2000 and 1999 was \$4.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$3.75 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$3.96 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the Village by the State of Ohio, and are reflected in the financial statements as intergovernmental receipts.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the calendar years ended December 31, 2000 and 1999 was \$4.00 per \$1,000 of assessed valuation.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 3 - Property Tax - (continued)

	2000	1999
Real Property - Valuation		
Residential/Agricultural	\$ 11,578,480	\$ 11,113,730
Commercial/Industrial	4,227,070	4,336,390
Public Utilities	5,090	5,560
Tangible Personal Property		
General - Valuation	6,792,900	5,967,374
Public Utilities	472,730	527,270
Total Valuation	\$ 23,076,270	\$ 21,950,324

The Shelby County Treasurer collects property tax on behalf of all taxing districts within the County. The Shelby County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Note 4 - Local Income Tax

The Village of Jackson Center levies income taxes of one and a half percent of gross salaries, wages and other personal service compensation earned by residents and to earnings of nonresidents employed within the Village. The income tax also applies to net income of businesses operating within the Village.

Note 5 - Debt Obligations

Debt outstanding at December 31, 2000 and 1999 consisted of the following:

	2000	1999
General Obligation Bonds		
Principal Outstanding	\$ 710,000	\$ 750,000
Interest Rates	6.1 to 6.2%	6.1 to 6.2%
Wastewater Treatment Anticipation Bond		
Principal Outstanding	\$375,000	\$500,000
Interest Rates	5.00%	3.94%
Well Replacement Bond Anticipation Bond		
Principal Outstanding	\$400,000	\$400,000
Interest Rates	4.73%	4.28%

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 5 - Debt Obligations - (continued)

	2000	1999
Water Development Authority Loan		
Principal Outstanding	\$ 4,952	\$14,500
Interest	6.25%	6.25%
Ohio Public Works Commission – N. Main St. Sewer		
Principal Outstanding	\$31,529	\$36,379
Interest Free		
Ohio Public Works Commission – Water Well Construction		
Principal Outstanding	\$61,721	\$ -0-
Interest Free		

The annual requirements to amortize all debt outstanding as of December 31, 2000, including interest payments of \$328,144 are as follows:

Year Ending December 31,	General Obligation Bonds	Wastewater Anticipation Bond	Well Anticipation Bond	Water Development Loan	OPWC N. Main St.	OPWC Water Well
2001	\$ 82,588	\$ 393,750	\$ 418,920	\$ 5,227	\$ 4,851	\$ 3,165
2002	80,128	-	-	-	4,851	3,165
2003	82,514	-	-	-	4,851	3,165
2004	84,593	-	-	-	4,851	3,165
2005	81,518	-	-	-	4,851	3,165
Thereafter	588,858	-	-	-	7,274	45,896
	\$ 1,000,199	\$ 393,750	\$ 418,920	\$ 5,227	\$ 31,529	\$ 61,721

Note 6 - Pension and Retirement Plans

Public Employees Retirement System (PERS)

The Public Employees Retirement System of Ohio (PERS) is a state operated cost sharing, multiple employer public employee retirement system. Full-time permanent employees of the Village of Jackson Center belong to Public Employees Retirement System. Public Employees Retirement System provides retirement benefits to employees who are eligible to retire based upon years of service. Public Employees Retirement System also provides survivor and disability benefits to vested employees.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 6 - Pension and Retirement Plans

Public Employees Retirement System (PERS) – (continued)

Employees contribute 8.5 percent of gross salary. The employer matching share was 13.55 percent from January 1, 1999 through June 30, 2000 and was 8.13 percent from July 1, 2000 through December 31, 2000. The pension contribution requirement for the Village, for the year ended December 31, 2000, was \$96,099 which consisted of \$37,045 from employees and \$59,054 from the employer, and for the year ended December 31, 1999 the Village contribution was \$94,039 which consisted of \$36,251 from employees and \$57,788 from the employer. The Village has paid all required contributions through December 31, 2000.

Police and Firemen's Disability and Pension Fund

The Village of Jackson Center uniformed police employees participating in the police and firemen's disability and pension fund is a multi-employer cost sharing public employees retirement system created by the State of Ohio. The fund provides pension disability and health care to qualified police personnel and survivors and death benefits to qualified spouses, children and dependent parents.

Employees contribute 10% of gross salaries and the employer contributes 19.5% of gross salaries. The required contribution for the Village for the year ended December 31, 2000 was \$17,112 which consisted of \$5,741 from the employees and \$11,371 from the employer. For the year ended December 31, 1999, the required contribution was \$16,730 of which \$5,757 was from the employees and \$10,973 was from the employer. The Village has paid all required contributions through December 31, 2000.

Note 7 - Accrued Vacation and Sick Pay

Accumulated unpaid vacation and sick pay is not accrued under the cash basis of accounting described in Note 1. At December 31, 2000 and 1999, management estimated that the accrued vacation and sick pay was \$47,551 and \$39,314, respectively. All leave will either be absorbed by time off from work, or within certain limitations, be paid to employees. It is not practical to determine the actuarial value of the benefits at December 31, 2000 or 1999.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 8 - Risk Management

The Village maintains comprehensive insurance coverage with private insurers for all real and personal property, including automobile coverage for the following risks: general liability, auto liability, wrongful acts, uninsured motorists, property coverage, wrongful acts coverage, law enforcement, inland marine, EDP coverage, fire vehicle RC, and public officials liability, and employee benefits company coverage.

The Village also provides medical and life insurance coverage for covered employees through a commercial insurer.

Note 9 - Contingencies

Pending Litigation

The Village is a defendant with eleven other Villages in a lawsuit. In this action, the plaintiff, DP&L, alleges the Villages used regulation energy incorrectly and thus owes them more money. The initial suit found in favor of the plaintiff, but is currently in Federal appeals. The Village, along with the other defendants, has retained a legal firm to vigorously represent the interests of the Village in this litigation.

The outcome of this suit is not presently determinable, the resolution of these matters could have a material effect on the Village's financial statements, should the Courts rule against the Village.



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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

May 25, 2001

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Jackson Center
Shelby County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the combined financial statements of the Village of Jackson Center, Shelby County, Ohio as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 25, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

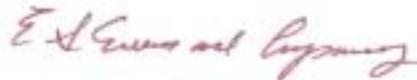
Compliance

As part of obtaining reasonable assurance about whether the Village of Jackson Center'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 certain immaterial instances of noncompliance, which we have reported to management of the Village of Jackson Center in a separate letter dated May 25, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Jackson Center'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 that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Village of Jackson Center in a separate letter dated May 25, 2001.

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

A handwritten signature in red ink, appearing to read "E. J. ...", is located in the lower right quadrant of the page.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF JACKSON CENTER

SHELBY 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
JULY 17, 2001**