

**VILLAGE OF NASHVILLE  
HOLMES COUNTY  
Regular Audit  
December 31, 2007 and 2006**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Nashville  
P. O. Box 417  
Nashville, Ohio 44661

We have reviewed the *Independent Accountants' Report* of the Village of Nashville, Holmes County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. 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 Accountants' 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 Accountants' 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 Nashville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

June 17, 2009

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**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 15, 2009

Village of Nashville  
Holmes County  
PO Box 417  
Nashville, Ohio 44661

To the Honorable Mayor and Members of Village Council:

We have audited the financial statements of the **Village of Nashville, Holmes County, Ohio, (the Village)** as of and for the years ended December 31, 2007 and 2006. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. 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 GAAP presentation. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006 or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Nashville, Holmes County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented 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 May 15, 2009 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 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.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 1,842	\$ -	\$ 1,842
Intergovernmental	31,750	6,614	38,364
Fines, Licenses, and Permits	1,545	-	1,545
Miscellaneous	12,524	-	12,524
	<u>47,661</u>	<u>6,614</u>	<u>54,275</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	6,735	-	6,735
Basic Utility Services	12,111	-	12,111
Transportation	4,979	4,777	9,756
General Government	37,345	-	37,345
Debt Service:			
Redemption of Principal	-	3,103	3,103
Interest and Fiscal Charges	-	3,497	3,497
Capital Outlay	15,540	-	15,540
	<u>76,710</u>	<u>11,377</u>	<u>88,087</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Disbursements	<u>(29,049)</u>	<u>(4,763)</u>	<u>(33,812)</u>
<b>Other Financing Receipts</b>			
Note Proceeds	18,000	-	18,000
	<u>18,000</u>	<u>-</u>	<u>18,000</u>
<b>Total Other Financing Receipts</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(11,049)	(4,763)	(15,812)
Fund Cash Balances, January 1	11,934	3,291	15,225
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 885</b></u>	<u><b>\$ (1,472)</b></u>	<u><b>\$ (587)</b></u>

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



**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 7,703
Miscellaneous	<u>3,706</u>
Total Operating Revenues	<u>11,409</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	1,760
Supplies and Materials	<u>1,287</u>
Total Operating Cash Disbursements	<u>3,047</u>
Net Receipts Over/(Under) Cash Disbursements	<u>8,362</u>
Fund Cash Balances, January 1	<u>48,853</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$ 57,215</u></u></b>

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

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 1,963	\$ -	\$ 1,963
Intergovernmental	34,466	10,511	44,977
Fines, Licenses, and Permits	1,530	-	1,530
Miscellaneous	1,981	-	1,981
	<u>39,940</u>	<u>10,511</u>	<u>50,451</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	5,055	-	5,055
Basic Utility Services	4,686	-	4,686
Transportation	4,822	5,534	10,356
General Government	27,848	-	27,848
Redemption of Principal	-	2,970	2,970
Interest and Fiscal Charges	-	3,630	3,630
	<u>42,411</u>	<u>12,134</u>	<u>54,545</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Disbursements	<u>(2,471)</u>	<u>(1,623)</u>	<u>(4,094)</u>
<b>Other Financing Receipts</b>			
Transfer-In	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Total Other Financing Receipts</b>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	7,529	(1,623)	5,906
Fund Cash Balances, January 1 (Restated - See Note 2)	<u>4,405</u>	<u>4,914</u>	<u>9,319</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 11,934</b></u>	<u><b>\$ 3,291</b></u>	<u><b>\$ 15,225</b></u>

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

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

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

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 8,384
Miscellaneous	<u>2,772</u>
Total Operating Revenues	<u>11,156</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	1,631
Supplies and Materials	<u>9,686</u>
Total Operating Cash Disbursements	<u>11,317</u>
Operating Income (Loss)	<u>(161)</u>
<b>Non-Operating Cash Receipts/Disbursements:</b>	
Transfer-Out	<u>(10,000)</u>
Net Receipts Over/(Under) Cash Disbursements	(10,161)
Fund Cash Balances, January 1	<u>59,014</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 48,853</u></b>

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

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Nashville, Holmes County, (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 government services including water and sewer utilities, maintenance of Village roads and bridges, and police 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. Cash and Investments**

All cash is maintained in a pooled checking account. Certificates of deposits are valued at cost.

**D. 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 has 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.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. 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.

**E. 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, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 4.

**F. 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 NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. 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. PRIOR PERIOD FUND BALANCE ADJUSTMENT**

A fund balance adjustment was required in 2006 to correct numerous errors found in recording revenues and expenditures during the reconciliation of the General Fund; this adjustment changed the 2006 beginning fund balance as follows:

	<b>General Fund</b>
Balance as of December 31, 2005	\$8,927
Adjustment for Reconciling Errors	(4,522)
Adjusted Fund Balance as of January 1, 2006	\$4,405

**3. EQUITY IN POOLED CASH AND INVESTMENTS**

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 investments at December 31 was as follows:

	2007	2006
Demand Deposits	\$ 3,059	\$ 13,312
Certificate of Deposit	53,569	50,766
Total	\$ 56,628	\$ 64,078

Deposits are insured by the Federal Deposit Insurance Corporation.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 65,661	\$ 65,661
Special Revenue	-	6,614	6,614
Enterprise	-	11,409	11,409
Total	\$ -	\$ 83,684	\$ 83,684

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 76,710	\$ (76,710)
Special Revenue	-	11,377	(11,377)
Enterprise	-	3,047	(3,047)
Total	\$ -	\$ 91,134	\$ (91,134)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 49,940	\$ 49,940
Special Revenue	-	10,511	10,511
Enterprise	-	11,156	11,156
Total	\$ -	\$ 71,607	\$ 71,607

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 42,411	\$ (42,411)
Special Revenue	-	12,134	(12,134)
Enterprise	-	21,317	(21,317)
Total	\$ -	\$ 75,862	\$ (75,862)

Contrary to Ohio Rev. Code Section 5705.36, The Village did not certify to the county auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year during 2007 and 2006.

Contrary to Ohio Rev. Code Section 5705.41(B), all Funds had expenditures exceeding appropriations during 2007 and 2006.

Contrary to Ohio Rev. Code Section 5705.41 (D), the Village did not obtain the fiscal officer's certificate for all expenditures during 2007 or 2006.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	<u>Principal</u>	<u>Interest</u>
Prommissory Notes	\$ 55,465	7.75-9%

The Notes relate to the purchase of equipment and paving of Village streets. The Prior Audit debt outstanding balance of \$3,422 was inaccurate, and should have been \$43,538 the Village also took out an additional Note in October of 2007 for \$18,000. The Village makes monthly payments of \$550 and \$370. The Village will make a balloon payment of \$28,946 in 2009 on Note (2004). The debt is collateralized by the equipment.

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

Year ending <u>December 31:</u>	<u>Note (2004)</u>	<u>Note (2007)</u>
2008	\$ 6,600	\$ 4,436
2009	28,946	4,436
2010	-	4,436
2011	-	4,436
2012	-	4,436
Total	\$ 35,546	\$ 22,180

**6. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. 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 payment, 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.



**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RETIREMENT SYSTEMS**

The Village's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, members of PERS contributed 9.5% (2007) and 9% (2006) of their gross salaries. The Village contributed an amount equal to 13.85% (2007) and 13.7% (2006) of participants' gross salaries.

**8. RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP).

Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Coverage**

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

**Property Coverage**

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable values.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**8. RISK MANAGEMENT (Continued)**

**Property Coverage (Continued)**

If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548. The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006:

	<b>2007</b>	<b>2006</b>
Assets	\$ 37,560,071	\$ 36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	\$ 20,219,246	\$ 19,384,290

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Village's share of these unpaid claims collectible in future years is approximately \$19,288. This payable includes the subsequent year's contribution due if the Village terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP		
2006	\$	5,021
2007	\$	5,194

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

***Perry & Associates***  
Certified Public Accountants, A.C.

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

May 15, 2009

Village of Nashville  
Holmes County  
PO Box 417  
Nashville, Ohio 44661

To the Honorable Mayor and Members of Village Council:

We have audited the financial statements of **Village of Nashville, Holmes County, Ohio** (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 15, 2009, wherein we noted the Village 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 Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be considered significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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'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 the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

### **Internal Control Over Financial Reporting (Continued)**

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-017.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe significant deficiencies 2007-002 through 2007-004 described above are material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated May 15, 2009.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2007-001 through 2007-013.

We also noted certain non compliance matters that we reported to the Village's management in a separate letter dated May 15, 2009.

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

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-001

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 9.38** states public money must be deposited with the treasurer of the public office *or* to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

During 2006, the Fiscal Officer made a receipt entry to the Village's journal however the receipt was not deposited into the Village's checking account for months. An adjustment was required to remove the receipt because the check was subsequently voided by the Co. Auditor due to exceeding the expiration date of the check.

We recommend the Township take steps to ensure deposits are made timely as required by Ohio Rev. Code. In addition, the Township could adopt the above-mentioned policy to allow deposits of less than \$1,000 to be deposited within three business days.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-002

**Noncompliance Citation/Significant Deficiency/Material Weakness**

**Ohio Admin. Code §117-2-02(A)** provides that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Ohio Admin. Code §117-2-02(C)(1) provides that all public offices should integrate the budgetary account, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. Ohio Admin. Code Section 117-2-02(C)(2) provides that purchase orders should be used to approve purchase commitments and to encumber funds against the applicable appropriation accounts as required by 5705.41(D) of the Revised Code.

Ohio Admin. Code §117-2-02(D)(1) provides that a cash journal, which typically contains the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction, should be used.

Ohio Admin. Code §117-2-02(D)(2) provides that a receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses, should be used. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
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FINDING NUMBER 2007-002(Continued)

**Noncompliance Citation/Significant Deficiency/Material Weakness (Continued)**

Ohio Admin. Code §117-2-02(D) (3), provides that an appropriation ledger, which may assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriation resolution should be used. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

The following conditions were noted:

An accurate Cash Journal, Revenue Ledger, Appropriations Ledger were not maintained; rather a single general journal was kept to document revenues and expenditures on a monthly basis.

The Village did not file Certificates of Estimated Resources or Appropriations Resolutions, which prohibited ongoing and timely information on unrealized budgetary receipts and uncommitted balances of appropriations to be used in purchase commitments, and or encumbering funds against appropriations.

The Village when revenue was received did not record the date, receipt number, check number, or the appropriate information necessary to properly classify the transaction, and determine its use.

The Village upon disbursing funds did not record the date, check number, purchase order number, or any information relating to the encumbrance amount or balance remaining.

As a result, the Village did not maintain an accounting system and accounting records sufficient to enable the Village to report its transactions and prepare accurate financial statements for 2006 and 2007. There was no method established whereby the Council and the Fiscal Officer could accurately compare budgeted to actual receipts and file any amended certificates of estimated resources when needed. Disbursements were made without being appropriated and there was no method established whereby Village management could monitor the types of expenditures being made and the year-to-date expenditures made for any particular expenditure function.

We recommend the Village Fiscal Officer maintain an accounting system and accounting records as set forth in Ohio Admin. Code §117-2-02.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
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FINDING NUMBER 2007-003

**Noncompliance Citation/Significant Deficiency/Material Weakness**

**Ohio Rev Code § 117.38** states, in part, cash basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. Also, the public office must publish notice in a local newspaper stating that the financial report is available for public inspection at the office of the chief fiscal officer.

The Village did not file the 2007 and 2006 annual financial reports with the Auditor of State within the 60 days of the fiscal year end. In addition, no evidence was presented for the audit to indicate the Village published a notice in a local newspaper stating the financial report is available for public inspection.

We recommend the Village publish notice in a local newspaper that the annual financial report is available for inspection after it is filed with the Auditor of State.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-004

**Noncompliance Citation/Significant Deficiency/Material Weakness**

**Ohio Rev. Code Section 145.47** states the head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period.

The Village did not remit PERS contributions on a timely basis.

We recommend the Fiscal Officer take the care necessary to ensure PERS contributions are being remitted on a timely basis to avoid penalties.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-005

**Noncompliance Citation/Significant Deficiency**

**Ohio Revised Code § 731.12** prohibits a Village official from being interested in any contract with the Village.

Ohio Revised Code § 102.03(D), states that no public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

Ohio Revised Code § 2921.42(A)(1), states that no public official shall knowingly authorize, or employ the authority or influence of his office to secure authorization of any public contract in which he, a member of his family, or any of his business associates has an interest.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-005 (Continued)

Noncompliance Citation/Significant Deficiency (Continued)

It was noted that the Village expended funds for repairs of Village vehicles to Rick Barnes, the Fiscal Officer's husband, with no disclosure in the minutes regarding the repairs, nor was there documentation disclosing the specifics of the expenditures. Mr. Barnes does not own a repair business, nor has he completed work for the Village before this time.

We recommend that the Village consult with their legal counsel to review the requirements of Ohio Revised Code Sections 2921.42, 102.03, and 731.12 to ensure that all public officials are transacting Village business in accordance with Ohio Ethics law.

This matter will be referred to the Ohio Ethics Commission.

FINDING NUMBER 2007-006

Noncompliance Citation/Significant Deficiency

**Ohio Rev. Code Section 5705.10** requires that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The Village had negative fund balances at December 31, 2007 as follows:

<u>Fund</u>	<u>Deficit</u>
Street Construction, Maintenance & Repair Fund	(\$1,472)

We recommend the Village monitor their fund balances and, when a deficit occurs and is expected to be temporary (i.e., pending the receipt of a grant, tax settlement, etc), we recommend the Village advance monies from the General Fund until the debtor fund can advance the monies back. In the case of a deficit fund balance for which no return of funds can reasonably be expected, we recommend the Village permanently transfer the monies to cover the deficit.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-007

Noncompliance Citation/Significant Deficiency

**Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16** state in part that money may be transferred from the General Fund to any other fund of the subdivision by resolution of the taxing authority. Except in the case of transfers from the general fund, transfers can be made only by resolution of the taxing authority passed with affirmative vote of two-thirds of the members and with the approval of the Tax Commissioner and the Court of Common Pleas.

In 2006, the Village transferred \$10,000 from the Enterprise Fund to the General Fund without the approval of the court of common pleas or documenting the approval of the transfer in the Village minutes.



VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-007 (Continued)

Noncompliance Citation/Significant Deficiency (Continued)

We recommend the Village obtain court of common pleas approval for transfers and document such transactions in the Village minutes.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-008

Noncompliance Citation/Significant Deficiency

**Ohio Rev. Code 5705.28** requires each taxing authority to adopt a tax budget for the next succeeding fiscal year on or before the fifteenth day of July. The minutes did not include adoption of an annual tax budget during 2006 or 2007. A tax budget was not filed with the county auditor during 2006 (for the year 2007), nor the 2007 (for the year 2008).

The Village did not pass an ordinance or resolution to adopt a tax budget for the next succeeding fiscal year on or before the fifteenth day of July.

We recommend the Village pass an ordinance or resolution adopting a tax budget, for the succeeding fiscal year. We further recommend this be documented in the Village's minutes.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-009

Noncompliance Citation/Significant Deficiency

**Ohio Rev. Code Section 5705.34** states that each taxing authority is to pass an ordinance or resolution to authorize the necessary tax levies. Each such authority is to certify the levies to the county auditor before October 1<sup>st</sup>, unless a later date is approved by the tax commissioner.

The Village did not pass an ordinance or resolution to authorize the necessary tax levies in 2007 or 2006.

We recommend the Village pass an ordinance or resolution authorizing the necessary tax levies. We further recommend this be documented in the Village's minutes.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-010

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.36** states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing unites are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

In 2007 or 2006, the Village did not file with the county auditor the total amount from all sources, which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

We recommend the Village take the necessary steps to ensure they certify their budgetary documents with the County Auditor on or before the required date. We also recommend the Village perform a comparison of the estimated amounts per their budgetary documents periodically in order to determine whether an amended needs to be obtained.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-011

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in all funds due to the Village not filing an Appropriations resolution with the County Auditor.

We recommend the Village Fiscal Officer file appropriations with County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The Village Fiscal Officer should deny any payments until the legislative authority has passed the necessary approval of the appropriation measure.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-012

**Noncompliance Citation/Significant Deficiency**

**Ohio Revised Code § 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 100% of the expenditures tested during 2007 and 100% in 2006 and there was no evidence that the Village followed the aforementioned exceptions.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-012 (Continued)**

**Noncompliance Citation/Significant Deficiency (Continued)**

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-013**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5747.07(E)** in part states that every employer shall file, not later than the last day of the month following the end of each calendar quarter, a return covering, but not limited to, both the actual amount deducted and withheld and the amount required to be deducted and withheld for the tax imposed under this calendar during each partial weekly withholding period during the quarter.

The Village did not remit federal tax contributions on a timely basis, nor did the Village provide 941's.

We recommend the Village Fiscal Officer remit federal taxes on a timely basis to avoid late fees and penalties, and maintain the appropriate federal documentation.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-014**

**Significant Deficiency**

**Posting Receipts and Expenditures**

Receipts should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2006 and 2007, several receipts and expenditures were not posted into accurate revenue and/or disbursement classifications based on the source of the receipt or expenditure. For example:

- Loan Proceeds was classified as Miscellaneous Revenue.
- Loan Payments were in Transportation disbursements, and not properly classified into Principal and Interest.

We recommend the Fiscal Officer refer to Ohio Administrative Code Section 117-7-01 and/or the Ohio Village Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures. We also recommend all receipts and disbursements be recorded in the Villages Financial System.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF NASHVILLE  
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

**FINDING NUMBER 2007-015**

**Significant Deficiency**

**Bank Reconciliations and Monthly Financial Reports**

The Fiscal Officer did not present the reconciliation, financial reports or financial statements to Council for review. The Fiscal Officer did disclose information regarding the month's revenue and expenditures.

Adjusting factors should be investigated and corrected in a timely manner. The monthly reconciliation along with a recap of the monthly financial activity should be presented to Council and approved by Council at the regular monthly Council meeting. This will help Council effectively monitor the Village's financial position and will aid in the timely detection of errors or irregularities.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-016**

**Significant Deficiency**

**Posting Estimated Revenues and Appropriations**

The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Council Members and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Village Council to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. Adjustments were made to the budgetary activity reported in Note 4 to the financial statements in order to accurately present estimated receipts as Certified by the County Budget Commission.

We recommend the Village implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-017**

**Significant Deficiency**

**Monitoring of Delinquent Sewer Accounts**

Village Council is responsible for monitoring sewer services provided to Village residents. They receive financial information from the Village Fiscal Officer at their monthly meetings, however, a list of delinquent sewer accounts was not provided. As a result of not receiving this information, Village Council may be making uninformed decisions regarding their sewer operations, needed revenues may not be readily available, and appropriate actions may not taken in regards to outstanding customer accounts.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2007-017 (Continued)**

**Significant Deficiency (Continued)**

**Monitoring of Delinquent Sewer Accounts (Continued)**

We recommend the Village Fiscal Officer provide, at least, a summary of delinquent account information to Village Council monthly and a complete listing of all delinquent accounts at least quarterly.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF NASHVILLE  
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR END DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2005-001	Ohio Revised Code, Section 5705.41(D) – Certification of Funds	No	Not Corrected – Reissued as 2007-012
2005-002	Ohio Revised Code, Section 5705.41(B) Budgetary compliance	No	Not Corrected – Reissued as 2007-011
2005-004	Ohio Revised Code, Section 117.2.02 – Records	No	Not Corrected – Reissued as 2007-002
2005-003	Ohio Revised Code, Section 117.38 – Financials	No	Not Corrected – Reissued as 2007-003







**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF NASHVILLE**

**HOLMES 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 30, 2009**