

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF NASHVILLE

BROWN COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
08/09/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda K. Young	01-01-04 to 12-31-07
President of the Town Council	Roger D. Kelso	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NASHVILLE, BROWN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Nashville (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 15, 2006

TOWN OF NASHVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 123,459	\$ 47,231	\$ 429,198	\$ (258,508)
Motor Vehicle Highway	2,893	57,134	162,517	(102,490)
Local Road and Street	38,150	5,706	6,375	37,481
Traffic Fines	2,568	3,570	1,841	4,297
Law Enforcement Continuing Education	1,872	836	842	1,866
Dog Licenses	60	45	-	105
Restroom Donations	134	1	-	135
Overtime DUI	2,023	750	666	2,107
NPD Drug	-	6,999	4,451	2,548
Food and Beverage Tax	236,936	151,739	172,242	216,433
Economic Development Income Tax	186,579	-	33,007	153,572
Flag Donation	442	-	-	442
Riverboat Fund	5,217	5,202	-	10,419
Main Street Donation Fund	787	459	650	596
Law Enforcement Liaison Grant	24,007	45,000	60,332	8,675
DOC Storm/Sewer Grant	-	22,000	22,000	-
Christmas Tree Donation	-	100	100	-
EDIT - Lease Rental	-	33,007	33,007	-
EDIT - Lease Rental Reserve	45,000	-	-	45,000
Cumulative Capital Improvement	41,844	3,079	5,000	39,923
Cumulative Capital Development	71,042	1,725	3,421	69,346
Proprietary Funds:				
Water Utility - Operating	93,992	773,309	817,365	49,936
Water Utility - Bond and Interest	90,644	90,643	90,643	90,644
Water Utility - Depreciation	4,968	-	-	4,968
Water Utility - Customer Deposit	56,398	7,400	5,500	58,298
Water Utility - Reserve	90,788	-	-	90,788
Wastewater Utility - Operating	42,088	432,033	456,964	17,157
Wastewater Utility - Bond and Interest	62,625	58,325	60,825	60,125
Wastewater Utility - Reserve	19,409	6,048	-	25,457
Fiduciary Fund:				
Payroll	8,315	206,707	206,120	8,902
Totals	<u>\$ 1,252,240</u>	<u>\$ 1,959,048</u>	<u>\$ 2,573,066</u>	<u>\$ 638,222</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ (258,508)	\$ 1,012,971	\$ 742,912	\$ 11,551
Motor Vehicle Highway	(102,490)	283,238	172,146	8,602
Local Road and Street	37,481	5,653	-	43,134
Traffic Fines	4,297	7,745	5,476	6,566
Law Enforcement Continuing Education	1,866	1,041	129	2,778
Dog Licenses	105	75	53	127
Restroom Donations	135	-	-	135
Overtime DUI	2,107	750	1,016	1,841
NPD Drug	2,548	-	404	2,144
Food and Beverage Tax	216,433	176,228	279,270	113,391
Economic Development Income Tax	153,572	64,973	33,007	185,538
Flag Donation	442	-	-	442
Riverboat Fund	10,419	-	2,721	7,698
Main Street Donation Fund	596	35,039	2,936	32,699
Law Enforcement Liaison Grant	8,675	70,000	63,332	15,343
DOC Storm/Sewer Grant	-	14,000	14,000	-
EDIT - Lease Rental	-	33,007	33,007	-
EDIT - Lease Rental Reserve	45,000	-	-	45,000
Cumulative Capital Improvement	39,923	2,551	-	42,474
Cumulative Capital Development	69,346	4,490	-	73,836
Proprietary Funds:				
Water Utility - Operating	49,936	815,125	796,033	69,028
Water Utility - Bond and Interest	90,644	105,836	105,740	90,740
Water Utility - Depreciation	4,968	-	-	4,968
Water Utility - Customer Deposit	58,298	9,100	6,650	60,748
Water Utility - Reserve	90,788	140,000	140,000	90,788
Wastewater Utility - Operating	17,157	495,326	444,425	68,058
Wastewater Utility - Bond and Interest	60,125	62,625	61,525	61,225
Wastewater Utility - Reserve	25,457	26,153	20,000	31,610
Fiduciary Fund:				
Payroll	8,902	197,944	202,812	4,034
Totals	<u>\$ 638,222</u>	<u>\$ 3,563,870</u>	<u>\$ 3,127,594</u>	<u>\$ 1,074,498</u>

The accompanying notes are an integral part of the schedules.

TOWN OF NASHVILLE
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, public improvements, planning and zoning, general administrative services, water, and wastewater.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires Indiana the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Long-Term Debt

The Town has entered into various debts such as bonds for facilities improvements, a capital lease for town hall renovations, and tax anticipation warrants for cash flow purposes. The outstanding principal at December 31, 2005, was \$1,608,996, \$154,500, and \$711,000, respectively.

TOWN OF NASHVILLE
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2006, with Brenda K. Young, Clerk-Treasurer; and Debra L. Ferry, Deputy Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.