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STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF NASHVILLE
BROWN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
07/26/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda K. Young	01-01-08 to 12-31-11
President of the Town Council	Roger D. Kelso	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Nashville (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 6, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 37,513	\$ 1,123,677	\$ 1,126,659	\$ 34,531
Motor Vehicle Highway	38,634	290,034	312,332	16,336
Local Road and Street	26,075	5,145	6,204	25,016
Traffic Fines	5,031	5,280	5,380	4,931
Law Enforcement Continuing Education	1,387	1,946	3,009	324
Dog Licenses	256	70	48	278
Restroom Donations	135	-	135	-
Overtime DUI	786	2,166	2,184	768
Nashville Police Department Drug	2,566	1,000	700	2,866
Food and Beverage Tax	184,351	156,300	122,353	218,298
Economic Development Income Tax	117,582	206,183	203,546	120,219
Flag Donation	17	-	17	-
Riverboat	19,397	15,176	15,884	18,689
Main Street Donation	217	1,900	507	1,610
Law Enforcement Liaison Grant	129	-	-	129
EDIT - Lease Rental	-	35,213	35,213	-
EDIT - Lease Rental Reserve	45,000	44,000	44,000	45,000
DUI Task Force	-	2,622	2,622	-
Grant EDS	144	-	-	144
Cumulative Capital Improvement	31,887	2,975	30,114	4,748
Cumulative Capital Development	93,726	90,240	91,383	92,583
LOIT - Public Safety	-	44,586	-	44,586
Patricia Millay Memorial	-	2,500	42	2,458
Police Gas Donation	-	400	-	400
Homeland Security Grant	-	2,771	2,771	-
Proprietary Funds:				
Water Utility - Operating	96,298	957,884	960,007	94,175
Water Utility - Bond and Interest	90,790	75,829	90,733	75,886
Water Utility - Depreciation	10,968	6,000	-	16,968
Water Utility - Customer Deposit	65,910	67,714	65,012	68,612
Water Utility - Reserve	90,788	86,000	90,000	86,788
Water Utility - Tank Repair	-	84,700	-	84,700
Wastewater Utility - Operating	86,426	574,977	606,637	54,766
Wastewater Utility - Bond and Interest	61,725	60,475	61,175	61,025
Wastewater Utility - Depreciation	6,000	6,000	-	12,000
Wastewater Utility - Reserve	43,840	50,040	45,000	48,880
Fiduciary Fund:				
Payroll	14,267	223,643	231,231	6,679
Totals	<u>\$ 1,171,845</u>	<u>\$ 4,227,446</u>	<u>\$ 4,154,898</u>	<u>\$ 1,244,393</u>

The accompanying notes are an integral part of the financial information.

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, 2008 And 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 34,531	\$ 764,147	\$ 776,118	\$ 22,560
Motor Vehicle Highway	16,336	277,516	262,948	30,904
Local Road and Street	25,016	4,891	1,750	28,157
Traffic Fines	4,931	3,380	3,969	4,342
Law Enforcement Continuing Education	324	1,386	320	1,390
Dog Licenses	278	30	35	273
Overtime DUI	768	3,609	2,628	1,749
Nashville Police Department Drug	2,866	400	346	2,920
Food and Beverage Tax	218,298	141,737	101,039	258,996
Economic Development Income Tax	120,219	102,924	56,503	166,640
Riverboat	18,689	5,163	10,643	13,209
Main Street Donation	1,610	2,200	843	2,967
Law Enforcement Liaison Grant	129	-	-	129
EDIT - Lease Rental	-	35,213	35,213	-
EDIT - Lease Rental Reserve	45,000	-	-	45,000
Grant EDS	144	-	-	144
Cumulative Capital Improvement	4,748	26,530	14,730	16,548
Cumulative Capital Development	92,583	20,786	2,695	110,674
LOIT - Public Safety	44,586	86,160	75,495	55,251
Patricia Millay Memorial	2,458	-	-	2,458
Police Gas Donation	400	-	-	400
Rainy Day	-	8,600	-	8,600
Proprietary Funds:				
Water Utility - Operating	94,175	931,868	927,375	98,668
Water Utility - Bond and Interest	75,886	65,933	75,669	66,150
Water Utility - Depreciation	16,968	6,000	-	22,968
Water Utility - Customer Deposit	68,612	7,772	5,952	70,432
Water Utility - Reserve	86,788	4,000	-	90,788
Water Utility - Tank Repair	84,700	-	82,851	1,849
Water Utility - Freeman Ridge/Kelley Hill	-	303,234	303,230	4
Wastewater Utility - Operating	54,766	540,870	536,481	59,155
Wastewater Utility - Bond and Interest	61,025	61,425	60,575	61,875
Wastewater Utility - Depreciation	12,000	3,000	-	15,000
Wastewater Utility - Reserve	48,880	5,119	-	53,999
Wastewater Utility - Construction	-	1	-	1
Wastewater Utility - Construction Loan	-	72,000	71,862	138
Fiduciary Fund:				
Payroll	6,679	222,744	222,917	6,506
Totals	<u>\$ 1,244,393</u>	<u>\$ 3,708,638</u>	<u>\$ 3,632,187</u>	<u>\$ 1,320,844</u>

The accompanying notes are an integral part of the financial information.

TOWN OF NASHVILLE
NOTES TO FINANCIAL INFORMATION

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 the Indiana 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. However, Brown County is behind in billing and collecting taxes due to the 2002 reassessment. Property taxes for 2008 payable 2009 were not settled until March 2010.

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.

TOWN OF NASHVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

The Town of Nashville entered into Tax Anticipation Loans with Peoples State Bank on September 20, 2008, in the amounts of \$395,000 and \$86,000, respectively, for the Motor Vehicle Highway Fund and the General Fund. These loans were paid off on March 15, 2010.

TOWN OF NASHVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 414,395
Infrastructure	106,586
Buildings	700,000
Machinery and equipment	<u>251,353</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,472,334</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,000
Buildings	5,500
Improvements other than buildings	2,503,903
Machinery and equipment	<u>71,152</u>
Total Water Utility capital assets	<u>2,582,555</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	22,500
Buildings	103,094
Improvements other than buildings	2,117,324
Machinery and equipment	<u>156,829</u>
Total Wastewater Utility capital assets	<u>2,399,747</u>
Total business-type activities capital assets	<u>\$ 4,982,302</u>

TOWN OF NASHVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2009 Crown Victoria Police Car	\$ 13,704	\$ 7,538
(2) 2006 Silverado Trucks	9,926	9,959
Town Hall Building	<u>50,038</u>	<u>35,213</u>
Total governmental activities debt	<u>\$ 73,668</u>	<u>\$ 52,710</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1977 Improvements, Additions and Extensions	\$ 213,000	\$ 33,650
1995 Improvements, Additions and Extensions	<u>591,000</u>	<u>32,028</u>
Total Revenue Bonds	<u>804,000</u>	<u>65,678</u>
Loan - Tank Repair	<u>66,960</u>	<u>16,367</u>
Total Water Utility	<u>870,960</u>	<u>82,045</u>
Wastewater Utility:		
Revenue bonds:		
1973 Improvements and Extensions	19,000	4,950
1987 Improvements and Extensions	491,000	54,550
1989 Improvements and Extensions	<u>9,000</u>	<u>1,450</u>
Total Revenue Bonds	<u>519,000</u>	<u>60,950</u>
Capital Lease - Jetter	<u>5,429</u>	<u>3,872</u>
Total Wastewater Utility	<u>524,429</u>	<u>64,822</u>
Total business-type activities debt	<u>\$ 1,395,389</u>	<u>\$ 146,867</u>

TOWN OF NASHVILLE
EXIT CONFERENCE

The contents of this report were discussed on May 6, 2010, with Brenda K. Young, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.