

**VILLAGE OF NASHVILLE
HOLMES COUNTY
Regular Audit
For the Years Ended December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Honorable Mayor and Members of 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, 2008 through December 31, 2009. 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 Nashville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 25, 2011

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**VILLAGE OF NASHVILLE
HOLMES COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

April 15, 2011

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

To the Honorable Mayor and Members of Village Council:

We have audited the accompanying financial statements of the **Village of Nashville, Holmes County, Ohio, (the Village)** as of and for the years ended December 31, 2009 and 2008. 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.

Except as described in paragraph six, 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 require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. 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, 2009 and 2008 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, 2009 and 2008 or its changes in financial position or cash flows, where applicable for the years then ended.

The Village did not provide adequate supporting documentation for charges for services receipts to enable us to determine the completeness, occurrence, accuracy, allocation, and rights and obligations of charges for services recorded in the Water Fund, an Proprietary Fund Type, in the financial statements in 2009 and 2008, nor were we able to satisfy ourselves as to those receipts through the use of alternative procedures. These charges for services revenues represent 100 percent of revenues of the Proprietary Fund Type for the years ended December 31, 2009 and 2008.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary, had we been able to obtain the information and documentation to support the completeness, occurrence, accuracy, allocation, and rights and obligations for charges for service in the Water Fund, 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, 2009 and 2008, 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 April 15, 2011 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, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 1,771	\$ -	\$ 1,771
Intergovernmental	28,093	7,803	35,896
Rents	1,050	-	1,050
Miscellaneous	28,294	-	28,294
	<u>59,208</u>	<u>7,803</u>	<u>67,011</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	4,715	-	4,715
Basic Utility Services	9,447	-	9,447
Transportation	-	3,606	3,606
General Government	44,720	-	44,720
Debt Service:			
Redemption of Principal	39,765	-	39,765
Interest and Fiscal Charges	2,276	-	2,276
	<u>100,923</u>	<u>3,606</u>	<u>104,529</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	<u>(41,715)</u>	<u>4,197</u>	<u>(37,518)</u>
Other Financing Receipts:			
Note Proceeds	30,818	-	30,818
Transfer-In	58,885	-	58,885
	<u>89,703</u>	<u>-</u>	<u>89,703</u>
Total Other Financing Receipts			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	47,988	4,197	52,185
Fund Cash Balances, January 1	<u>(5,824)</u>	<u>3,874</u>	<u>(1,950)</u>
Fund Cash Balances, December 31	<u>\$ 42,164</u>	<u>\$ 8,071</u>	<u>\$ 50,235</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, 2009**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 9,619
Total Operating Revenues	9,619
Operating Cash Disbursements:	
Personal Services	4,250
Contractual Services	18,153
Supplies and Materials	908
Other	176
Total Operating Cash Disbursements	23,487
Operating Income (Loss)	(13,868)
Transfer-Out	(58,885)
Net Receipts Over/(Under) Cash Disbursements	(72,753)
Fund Cash Balances, January 1	45,343
Fund Cash Balances, December 31	\$ (27,410)

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, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 1,710	\$ -	\$ 1,710
Intergovernmental	34,514	10,228	44,742
Interest	2,224	-	2,224
Miscellaneous	9,294	-	9,294
	<u>47,742</u>	<u>10,228</u>	<u>57,970</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	1,602	-	1,602
Basic Utility Services	7,647	-	7,647
Transportation	-	4,882	4,882
General Government	33,427	-	33,427
Debt Service:			
Redemption of Principal	8,205	-	8,205
Interest and Fiscal Charges	3,570	-	3,570
	<u>54,451</u>	<u>4,882</u>	<u>59,333</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	(6,709)	5,346	(1,363)
Fund Cash Balances, January 1	885	(1,472)	(587)
Fund Cash Balances, December 31	<u>\$ (5,824)</u>	<u>\$ 3,874</u>	<u>\$ (1,950)</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, 2008**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 10,122
Total Operating Revenues	10,122
Operating Cash Disbursements:	
Personal Services	3,279
Contractual Services	18,322
Supplies and Materials	368
Other	25
Total Operating Cash Disbursements	21,994
Operating Income (Loss)	(11,872)
Fund Cash Balances, January 1	57,215
Fund Cash Balances, December 31	\$ 45,343

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, 2009 AND 2008**

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. Deposits 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, 2009 AND 2008
(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. This activity was discontinued as March 2, 2009.

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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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. The village did not encumber all commitments required by Ohio law.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

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, 2009 AND 2008
(Continued)**

2. EQUITY IN POOLED DEPOSITS

The Village maintains a deposit 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:

	2009	2008
Demand Deposits	\$ 22,825	\$ 43,393

Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 148,911	\$ 148,911
Special Revenue	-	7,803	7,803
Enterprise	-	9,619	9,619
Total	\$ -	\$ 166,333	\$ 166,333

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 100,923	\$ (100,923)
Special Revenue	-	3,606	(3,606)
Enterprise	-	82,372	(82,372)
Total	\$ -	\$ 186,901	\$ (186,901)

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 47,742	\$ 47,742
Special Revenue	-	10,228	10,228
Enterprise	-	10,122	10,122
Total	\$ -	\$ 68,092	\$ 68,092

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 53,410	\$ 54,451	\$ (1,041)
Special Revenue	14,700	4,882	9,818
Enterprise	13,050	21,994	(8,944)
Total	\$ 81,160	\$ 81,327	\$ (167)

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 2009 and 2008.

Contrary to Ohio Rev. Code Section 5705.39, all funds had appropriations exceeding estimated resources during 2009 and 2008.

Contrary to Ohio Rev. Code Section 5705.41(B), all funds had expenditures exceeding appropriations in 2009 and the general and water funds had expenditures exceeding appropriations during 2008.

4. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest
Promissory Notes	\$ 38,313	5-9%

The Notes relate to the purchase of equipment and paving of Village streets. The Village makes monthly payments of \$581 and \$370. The Village refinanced a note due in 2009. The new note is for 60 months, due June 30, 2014 at a variable interest rate. The debt is collateralized by the equipment.

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

Year ending		
December 31:	Note 2009	Note 2007
2010	\$ 6,974	\$ 4,436
2011	6,974	4,436
2012	6,974	3,695
2013	6,974	-
2014	3,487	-
Total	\$ 31,383	\$ 12,567

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by 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.

6. RETIREMENT SYSTEMS

The Village's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2009 and 2008, members of PERS contributed 10% of their gross salaries. The Village contributed an amount equal to 14.00% of participants' gross salaries. The Village has not paid all contributions required through December 31, 2009.

7. 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. RISK MANAGEMENT (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	<u>(15,256,862)</u>	<u>(15,310,206)</u>
Net Assets	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Village's share of these unpaid claims collectible in future years is approximately \$3,000.

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.

<u>Contributions to PEP</u>	
<u>2009</u>	<u>2008</u>
\$3,575	\$3,685

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. RISK MANAGEMENT (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. 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.

8. TRANSFERS

The Village discontinued sewer operations and closed the Sewer Fund in 2009 and transferred the remaining fund balance to the general fund in accordance with the Court of Common Pleas ruling as required by ORC Section 5705.16.

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

April 15, 2011

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, 2009 and 2008, and have issued our report thereon dated April 15, 2011, wherein we qualified our opinion because we were unable to satisfy ourselves to the completeness, occurrence, accuracy, allocation, and rights and obligations of the charges for service receipts in the Water Fund, A Proprietary Fund Type. Also, we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. Except as discussed above, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and other deficiencies we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001, 2009-003, 2009-004, 2009-006, 2009-010 through 2009-016 and 2009-018 described in the accompanying schedule of findings to be material weaknesses.

Internal Control Over Financial Reporting (Continued)

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2009-005, 2009-007 through 2009-009 and 2009-017 described in the accompanying schedule of findings to be significant deficiencies.

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 2009-001 through 2009-011.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated April 15, 2011.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of Village management, Council and others within the Village. We intend it for no one 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, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Noncompliance Citation/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 payer, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.

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.

Ohio Admin. Code Section 117-2-02 (D)(4)(a) requires all local public offices to maintain payroll records including: (1) W-2's, W-4's and other withholding records and authorizations; (2) a payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee, and the fund and account charged for the payments; and (3) a check register that includes, in numerical sequence, the check number, payee, net amount, and the date.

Ohio Admin. Code Section 117-2-02 (D)(4)(b) requires the Village maintain utility billing records including: (1) Master file of service addresses, account numbers, billing addresses, type of services provided, and billing rates; (2) accounts receivable ledger for each service type, including for each customer account, the outstanding balance due as of the end of each billing period (with an aging schedule for past due amounts), current usage and billing amount, delinquent or late fees due, payments received and noncash adjustments, each maintained by date and amount; and (3) cash receipts records, recording cash received and date received on each account. This information should be used to post payments to individual accounts in the accounts receivable ledger described above.

The following conditions were noted:

VILLAGE OF NASHVILLE
HOLMES COUNTY

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FINDING NUMBER 2009-001 (Continued)

Noncompliance Citation/Material Weakness (Continued)

An accurate Cash Journal, Revenue Ledger, and Appropriations Ledger were not maintained; in fact, the Village was not able to provide any financial accounting system information for audit.

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.

The Village could not provide payroll records as required.

The Village could not provide utility information as required.

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 2008 and 2009. 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. Payroll and utilities were not able to be properly monitored.

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 – The Village has implemented reporting using the UAN system which incorporates all of the above requirements. The new fiscal officer is submitting all the required budgetary forms including presenting them to the council.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code Section 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 2009 and 2008 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. The Village may be subject to penalties of up to \$750 per year for not filing.

VILLAGE OF NASHVILLE
HOLMES COUNTY

SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
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FINDING NUMBER 2009-002 (Continued)

Noncompliance Citation (Continued)

We recommend management establish a procedure that will ensure the financial statements are submitted to the Auditor of State within the prescribed 60 days. This submission should be documented in fashion, i.e. noted in the minutes, certified mail receipt, or an electronic response from the Auditor of State. We also 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 – Council will receive a copy of the submission verification and include this in the minutes to ensure timely filing of financial statements. Also included will be the Notice of Publication from the newspaper.

FINDING NUMBER 2009-003

Noncompliance Citation/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 OPERS contributions on a timely basis, nor were we able to determine if all payments have been made for the period.

We recommend the Fiscal Officer take the care necessary to ensure OPERS contributions are being remitted on a timely basis to avoid penalties. In addition, management should establish a checklist of required reporting and review monthly to ensure all required reports are submitted and payments have been made. We further recommend management contact OPERS to determine if all payments have been made for the Village.

Management's Response – The Village is now filing reports and submitting payments timely.

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

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FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-004

Noncompliance Citation/Material Weakness

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.

It was noted the Village expended funds for repairs of Village vehicles and other purposes 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 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.

Management's Response – If any possible conflicts arise in the future the Village Solicitor will be contacted to ensure compliance with Ohio Revised Code.

FINDING NUMBER 2009-005

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code Section 733.27 requires the Village Fiscal Officer to keep a complete and accurate record of the proceedings of the Village Council at all its meetings.

The Village was not able to provide minutes for July, September and November of 2008 or for September through December of 2009. In addition, the minutes are not signed by any village officials. This makes it difficult to establish them as the official minutes of the Village Council. This resulted in a lack of supporting documentation for board actions and a loss of internal control over the operations of the Village Council. By not signing the minutes, it provides the opportunity for someone to alter the records and present information that may not be in accordance with Council's authorization.

VILLAGE OF NASHVILLE
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FINDING NUMBER 2009-005 (Continued)

Noncompliance Citation/Significant Deficiency (Continued)

We recommend the Fiscal Officer take the necessary care in the preparation of the minutes and the Council carefully review the minutes to help insure they are complete and accurate. Minutes should contain any and all actions taken by Council, including, but not limited to, resolutions, ordinances, hiring, terminations, pay rates, debt issues, utility rate establishments, and any other actions taken by Council. Appropriate Village officials should sign the minutes once they have been approved by Council.

Management's Response – Minutes are read at each council meeting, approved by council and signed by the Fiscal Officer and the Mayor. All pertinent information is now included in the minutes. Minutes for 2010 were maintained in a hardback book and in 2011 a binder.

FINDING NUMBER 2009-006

Noncompliance Citation/Material Weakness

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, 2008 and 2009 as follows:

<u>Fund</u>	<u>Deficit</u>
2008 – General Fund	\$5,825
2008 – Water Fund	\$13,542
2009 – Water Fund	\$27,410

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 repay the advance. 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 – Management is monitoring fund balances monthly. The General fund is now in a positive position and the Village has increased water rates to help eliminate the deficit in the water fund. The Village Council is evaluating the water rate structure at least annually.

VILLAGE OF NASHVILLE
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FINDING NUMBER 2009-007

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 2009 and 2008, 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. This will help to ensure council has the necessary information to properly review and approve the appropriations for the upcoming year.

Management's Response – This has been corrected and all budgetary documents are now being filed with the County Auditor.

FINDING NUMBER 2009-008

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code Section 5705.39 states the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

The Village did pass appropriation measures for 2008 and 2009 but these measures were not submitted to the county auditor. In addition, the estimated resources were never submitted to the county auditor making it impossible for the county auditor to issue the certificate stating the Village appropriations did not exceed estimated resources. This, in effect, makes the appropriations for 2008 and 2009 ineffective.

We recommend management establish a procedure that ensures all necessary budgetary forms (including the certified beginning balances, estimated resources, and appropriation measures) are submitted to the county auditor and a certification is received back stating appropriations do not exceed estimated resources.

Management's Response – This has been corrected and all budgetary documents are now being filed with the County Auditor.

**VILLAGE OF NASHVILLE
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**SCHEDULE OF AUDIT FINDINGS
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FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-009

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 – This has been corrected and all budgetary documents are now being filed with the County Auditor.

FINDING NUMBER 2009-010

Noncompliance Citation/Material Weakness

Ohio Rev. Code section 149.351(A) establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

For the audit period the following documentation were not provided by Village:

- Disbursements – no supporting documentation to indicate the purpose of expenditures for 68 of 109 (62.4%) and 56 of 166 (33.7%) disbursements tested for 2008 and 2009, respectively.
- Charges for Services – no supporting documentation for water receipts for 2008 or 2009. No water collection reports were available including payments received, billing reports, account aging reports and adjustment reports.
- Payroll – supporting documentation i.e., time sheets were not available for all pays. Payroll reports, including detail reports, W2's or W3's, quarterly and annual reports could not be located for either year.

Inadequate supporting documentation eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and irregularities occurring and not being detected by management in a timely manner. Lack of adequate supporting documentation for expenditures could result in the Village making inappropriate disbursements for goods or services not actually received by the Village and paying unnecessary late fees and penalties. Inadequate documentation for payroll could result in improper payments and inaccurate payroll reporting to retirement and tax authorities. Failure to maintain reports for the water and sewer operations could lead to misappropriation of payments, unauthorized account adjustments and failure to bill users.

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FINDING NUMBER 2009-010 (Continued)

Noncompliance Citation/Material Weakness (continued)

We recommend that no payment be made from the Village that is not supported by an approved voucher package that would include an original receipt or invoice. We also recommend the Village establish payroll policies and procedures that will require time sheets for all employees that are not salaried. Regarding the water function, we recommend the Village establish policies and procedures that will require all reports to be printed monthly, including billing, receipts and adjustments and these reports be reviewed and approved by management. All support should be maintained by the Village in appropriate files.

Management's Response – All records are now maintained at the Village Hall. Additional staff has been hired to take care of the water function. Additional checks and balances have been put into place for council signatures and to make sure all supporting documentation is included in the voucher package.

FINDING NUMBER 2009-011

Noncompliance Citation/Material Weakness

26 U.S.C. Section 3402 and Ohio Rev. Code Section 5747.06 requires every employer, including the state and its political subdivisions making payments of any compensation to an employee who is a taxpayer, to deduct and withhold from such compensation for each payroll period a tax substantially equivalent to the tax reasonably estimated to be due under this chapter with respect to the amount of such compensation included in his adjusted gross income during the calendar year.

Federal payroll taxes were withheld from the compensation of elected officials and employees of the Village. The Village was unable to provide evidence to show that these tax liabilities had been paid by the Village.

We recommend management establish a procedure to ensure timely filing of all tax reports and remittance of all withholdings.

Management's Response – The new fiscal officer has been preparing the required reports and submissions.

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-012

Material Weakness

Posting Receipts and Expenditures

Receipts and expenditures should be posted to the fund and line item accounts as established by the State accounting system chart of accounts as listed in the Village Officer's Handbook.

Because the Village was unable to provide financial statements, the Village brought in an outside service to prepare a cashbook and proof of cash. We reviewed the cashbook for each year and noted a significant number of receipts and disbursements were not posted into accurate classifications or funds based on the source of the transaction. For example, various intergovernmental receipts were recorded as tax and were included in incorrect funds. In addition, we noted transactions for returned checks were not recorded as negative expenses in the fund that originally paid the expense. This resulted in several audit adjustments which the Village has posted.

We recommend the Fiscal Officer refer to the Ohio Village Officer's Handbook for guidance to determine if the proper accounts have been established and to ensure receipts and expenses are posted accurately.

Management's Response – We have obtained a Village Officer's Handbook and the new fiscal officer is attending training to ensure revenues and expenses will be properly classified.

FINDING NUMBER 2009-013

Material Weakness

Monitoring of Water Accounts

Village Council is responsible for monitoring water services provided to Village residents. They receive financial information from the Village Fiscal Officer at their monthly meetings, however, a list of delinquent accounts and budget verses actual information for receipts were not provided. As a result of not receiving this information, Village Council may be making uninformed decisions regarding the water operations, needed revenues may not be readily available, and appropriate actions may not be taken in regard to outstanding customer accounts. In addition, Village Council is not able to determine if the revenue received is significantly below anticipated revenue, which may indicate all accounts are not being billed or all receipts are not being recorded on the Village books.

We recommend the Village Fiscal Officer provide the Council with, at a minimum, a budget verses actual report on utility receipts and expenditures, a summary of delinquent account information monthly and a complete listing of all delinquent accounts at least quarterly.

Management's Response – Water Clerk position added to better monitor billing and payments. Quarterly reports of billings, payments, delinquents and shut-offs now given to Council for approval.

VILLAGE OF NASHVILLE
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FINDING NUMBER 2009-014

Material Weakness

Cash Reconciliations

A necessary step in the internal control over financial reporting is to prove both the balance of the bank and the balance of cash in the accounting records. This process involves reconciling the bank balance to the cash and investment balance.

For January 1, 2008 through December 31, 2009, the Village was not able to present bank reconciliations for 2008 or 2009. The Village contracted with an outside service to prepare monthly reconciliations. Council did not receive the bank statements and relied on the Fiscal Officer's monthly report for bank and fund balances.

We recommend the Fiscal Officer reconcile the end of the month bank balance to the Village's end of the month cash balance per the Cash Journal. The Village has started using the UAN computer system for financial information processing. Use of this system will enable accurate, and timely, reconciliations. The Fiscal Officer should present the following to Council as part of the reconciliation: the bank reconciliation form provided by the UAN system, the bank statement, a list of outstanding checks, and a list of voided checks with the checks attached. All voided checks should be defaced in some manner. Council should sign off on the reconciliation form provided by the UAN system to indicate they have reviewed and approved the reconciliation.

Management's Response – Council now sees the monthly bank reconciliation and bank statement. Council signs off on all financial reports monthly.

FINDING NUMBER 2009-015

Material Weakness

Warrants Signed Only by Fiscal Officer

During our expenditure and payroll testing we determined warrants were only signed by the Fiscal Officer until July 2009. At this time a change was made to require three signatures on all checks. Beginning in November 2009 we noted checks had only one or two signatures.

Lack of at least one council member's signature eliminates a significant internal control. Allowing one person to have total control over the disbursement function could result in the Village making inappropriate disbursements for goods or services that are not for a proper public purpose.

We recommend management ensure all checks are signed in accordance with the current policy, two council members and the fiscal officer. The entire voucher package should be submitted to the signing council members so they can compare the payee and amount and make sure the payment is for a proper public purpose.

Management's Response – All checks are signed by two members of the finance committee and the Village Fiscal Officer.

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FINDING NUMBER 2009-016

Material Weakness

Debt Payments and Approvals

Debt activity was not properly recorded in the financial statements. The payments were recorded as general government expense and not as reductions in principal and interest charges. In 2009 the Village also refinanced debt. The refinancing was not recorded in the financial statements. We also noted there was no mention of the refinancing in the minutes. Council may not have formally approved the new debt. By not properly recording activity the Village may materially misstate activity for the year. Adjustments have been recorded to properly present the debt activity on the financial statements.

We recommend management review the Village Officer's Handbook or contact the Auditor of State if personnel are not sure how to record debt activity. All new debt and debt payoffs should be documented clearly in the minutes before the Village enters into new debt agreements.

Management's Response – The Village has obtained a Village Officers Handbook and the new fiscal officer is attending training. All new debt will be documented in the minutes.

FINDING NUMBER 2009-017

Significant Deficiency

Voided Warrants

During our review of expenditures we noted several warrants that were never mailed and were still in the monthly activity files. These checks were never defaced in any way and could, potentially, be a problem to the Village if they were stolen.

We recommend management review all monthly files for 2008 and 2009 and remove and deface any checks to indicate they are void. In the future all voided checks should be defaced in some manner.

Management's Response – Voided checks will now be defaced and the signature line cut out. Checks will be presented to Council as part of the reconciliation package. We will also review the 2008 and 2009 files.

VILLAGE OF NASHVILLE
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FINDING NUMBER 2009-018

Material Weakness

Complete Voucher Packages

The completed voucher packages should be the basis for the preparation of checks. The package should include the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of the goods or services and the accuracy of the quantity and price, and a copy of the requisition or purchase order to document the fiscal officer's prior certification that sufficient appropriations and resources were available to meet the obligation.

The Village did not always present complete voucher packages to support expenditures. We noted 68 of 109 expenditures reviewed in 2008 and 56 of 166 reviewed in 2009 did not have sufficient supporting documentation. The lack of adequate supporting documentation could result in loss of Village funds or personal liability for the Village's officials.

We recommend all expenditures be supported by complete voucher packages, including the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of goods or services and the accuracy of the quantity and price, and a copy of the requisition or purchase order to document the Fiscal Officer's prior certification. This will help ensure that all Village expenditures are for goods or services received, are properly approved, and are for a proper public purpose.

Management's Response – Purchase orders are now being done through the UAN system and are being approved by the Mayor before the purchase. All documentation is now being maintained in the payment package and Council has the opportunity to review all payments. Council signs off on a form that indicates they have approved all payments.

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-001	Ohio Rev. Code Section 9.38 – Depositing public funds	Yes	
2007-002	Ohio Revised Code, Section 117.2.02 – Records	No	Not Corrected – Reissued as 2009-001
2007-003	Ohio Revised Code, Section 117.38 – Financials	No	Not Corrected – Reissued as 2009-002
2007-004	Ohio Revised Code, Section 145.47 – submitting OPERS reports	No	Not Corrected – Reissued as 2009-003
2007-005	Ohio Revised Code, Section 731.12 – Interest in contracts	No	Not Corrected – Reissued as 2009-004
2007-006	Ohio Revised Code, Section 5705.10 – negative funds	No	Not Corrected – Reissued as 2009-006
2007-007	Ohio Revised Code, Section 5705.14, 5705.15, 5705.16 - Transfers	Yes	
2007-008	Ohio Revised Code, Section 5705.28 – Adopting tax budget	No	Moved to Management Letter
2007-009	Ohio Revised Code, Section 5705.34 – Resolution authorizing necessary tax levies	No	Moved to Management Letter
2007-010	Ohio Revised Code, Section 5705.36 – Certifying beginning balances	No	Not Corrected – Reissued as 2009-007
2007-011	Ohio Revised Code, Section 5705.41(B) Budgetary compliance	No	Not Corrected – Reissued as 2009-009
2007-012	Ohio Revised Code, Section 5705.41(D) Budgetary compliance	No	Moved to Management Letter

**VILLAGE OF NASHVILLE
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2009 AND 2008**

2007-013	Ohio Revised Code, Section 5747.06 – Withholding payroll taxes	Yes	
2007-014	Posting receipts and expenditures properly	No	Not Corrected – Reissued as 2009-012
2007-015	Bank reconciliations	No	Not Corrected – Reissued as 2009-014
2007-016	Posting estimated revenues and appropriations in accounting system	No	This finding no longer valid. Included in finding 2009-001 for not having adequate accounting system.
2007-017	Monitoring delinquent water accounts	No	Not Corrected – Reissued as 2009-013

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Dave Yost • 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 9, 2011**