

Nile Township  
Scioto County  
Regular Audit  
For the Years Ended December 31, 2009 and 2008



Millhuff-Stang, CPA, Inc.  
1428 Gallia Street, Suite 2  
Portsmouth, Ohio 45662  
Phone: 740.876.8548 ■ Fax: 888.876.8549  
Website: [www.milhuffstangcpa.com](http://www.milhuffstangcpa.com) ■ Email: [natalie@millhuffstangcpa.com](mailto:natalie@millhuffstangcpa.com)





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Nile Township  
P.O. Box 100  
Friendship, Ohio 45630

We have reviewed the *Independent Auditor's Report* of Nile Township, Scioto County, prepared by Millhuff-Stang, CPA, Inc, 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. Nile Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 3, 2010

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**Scioto County**  
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**Independent Auditor's Report**

Board of Trustees  
Nile Township  
P.O. Box 100  
Friendship, Ohio 45630

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nile Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Nile Township, Scioto County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy, and Police Levy Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2010 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Independent Auditor's Report  
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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

August 13, 2010



Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

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This discussion and analysis of Nile Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$81,009.

The Township's general receipts are primarily property taxes, permissive sales taxes, local government revenue assistance, franchise fees and interest.

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased \$69,877 mainly due to increased capital outlay expenditures for engineering costs of an upcoming building project.

The Township's general receipts are primarily property taxes, permissive sales taxes, local government revenue assistance, franchise fees and interest.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

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**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities: Most of the Township's basic services are reported here, including police, fire, streets, parks and emergency management services. Property taxes, permissive sales taxes, gasoline taxes, vehicle registrations, local government revenue assistance, licenses & permits and state & federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental funds.

Governmental Funds – Most of the Township's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy and Police Levy Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 and to 2007:

(Table 1)

	Governmental Activities		
	2009	2008	2007
	<b>Assets</b>		
Cash and Cash Equivalents	\$735,020	\$654,011	\$723,888
Total Assets	\$735,020	\$654,011	\$723,888
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$ 644,685	\$ 564,347	\$ 551,275
Unrestricted	90,335	89,664	172,613
Total Net Assets	\$735,020	\$654,011	\$723,888

As mentioned previously, net assets of governmental activities decreased \$69,877 during 2008. The primary reasons contributing to the decreases in cash balances are as follows:

- The Township paid the Engineering firm of E. L. Robinson for services related to the upcoming building project.
- Extreme increases in petroleum based products and fuel related costs.

Net assets increased in 2009 by \$81,009. This increase can be attributed to the following:

- Increased intergovernmental receipts
- Decreased capital outlay expenditures

Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

Table 2 reflects the changes in net assets in 2009 and 2008 and the comparisons to fiscal year 2007.

(Table 2)  
**Change in Net Assets**

	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$17,910	\$31,530	\$22,075
Operating Grants and Contributions	96,546	100,051	98,627
Capital Grants and Contributions	0	0	22,125
<b>Total Program Receipts</b>	<b>114,456</b>	<b>131,581</b>	<b>142,827</b>
General Receipts:			
Property and Other Local Taxes	435,561	401,474	337,366
Other Purposes	0	0	59,116
Grants and Entitlements Not Restricted to Specific Programs	177,310	131,294	129,667
Cable Franchise Fees	12,626	7,971	8,374
Interest	7,915	12,516	19,665
Miscellaneous	11,840	5,600	5,150
<b>Total General Receipts</b>	<b>645,252</b>	<b>558,855</b>	<b>559,338</b>
<b>Total Receipts</b>	<b>759,708</b>	<b>690,436</b>	<b>702,165</b>
Disbursements:			
General Government	281,785	272,444	141,710
Public Safety	150,594	118,567	216,286
Public Works	127,040	129,587	154,042
Health	54,961	54,596	54,499
Capital Outlay	64,319	162,737	122,519
Principal Retirement	0	21,524	20,660
Interest and Fiscal Charges	0	858	1,614
<b>Total Disbursements</b>	<b>678,699</b>	<b>760,313</b>	<b>711,330</b>
 Increase (Decrease) in Net Assets	 81,009	 (69,877)	 (9,165)
 Net Assets, January 1	 654,011	 723,888	 733,053
<b>Net Assets, December 31</b>	<b>735,020</b>	<b>654,011</b>	<b>723,888</b>

Program receipts represent only 15 percent and 19 percent of total receipts in 2009 and 2008 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and charges to nearby government for police services provided under contract.

General receipts represent 85 percent and 81 percent of the Township's total receipts in 2009 and 2008 respectively, and of this amount, over 68 percent in 2009 and 72 percent in 2008 are local taxes. State and federal grants and entitlements make up the majority of the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Trustees, Fiscal Officer, EMS, and Road and Bridge personnel, as well as internal services such as payroll and purchasing. Since many of these costs do not represent direct services to residents, we try to limit these costs.

Public Safety is the costs of police protection and EMS and fire protection.

Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

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**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	\$ 281,785	\$ 281,785	\$ 272,444	\$ 272,444	\$ 141,710	\$ 141,710
Public Safety	150,594	150,594	118,567	118,567	216,286	216,286
Public Works	127,040	30,494	129,587	29,536	154,042	55,415
Health	54,961	37,051	54,596	23,066	54,499	32,424
Capital Outlay	64,319	64,319	162,737	162,737	122,519	100,394
Principal Payments	-	-	21,524	21,524	20,660	20,660
Interest and Fiscal Charges	-	-	858	858	1,614	1,614
<b>Total Expenses</b>	<b>\$ 678,699</b>	<b>\$ 564,243</b>	<b>\$ 760,313</b>	<b>\$ 628,732</b>	<b>\$ 711,330</b>	<b>\$ 568,503</b>

The dependence upon property tax receipts is apparent as over 80 percent of governmental activities are supported through these and other general receipts.

**The Township's Funds**

Total governmental funds in 2009 had receipts of \$759,708 and disbursements of \$678,699.

Total governmental funds in 2008 had receipts of \$690,436 and disbursements of \$760,313.

In 2009 General Fund receipts were more than disbursements by \$671 indicating that the General Fund had surplus spending. In 2008 General Fund receipts were less than disbursements by \$82,949 indicating that the General Fund was in a deficit spending situation. However, because of funds carried forward from 2007 the General Fund was still in a surplus situation.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Township did not have to amend its General Fund budget and only had insignificant changes in 2008.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does currently keep track of its capital assets and infrastructure other than taking an inventory of what is on hand in January of each year. The current liability and property insurance policy keeps an accurate record of Township property, equipment and vehicles.

Nile Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008  
Unaudited

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Debt

The Township did not have debt outstanding at December 31, 2008 or 2009. See Note 9.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a surplus for 2010; therefore, the finance committee and the administration will continue to provide the services important to our residents.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Chris Norman, Fiscal Officer for Nile Township, P.O. Box 100, Friendship, Ohio 45630 or phone (740) 858-4777.

**Nile Township**  
**Scioto County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2009*

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<b>Assets</b>	<u>Governmental Activities</u>
Equity in Pooled Cash and Cash Equivalents	<u>\$ 735,020</u>
<i>Total Assets</i>	<u><u>\$ 735,020</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 644,685
Unrestricted	<u>90,335</u>
<i>Total Net Assets</i>	<u><u>\$ 735,020</u></u>

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

**Nile Township  
Scioto County**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2009*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 281,785	\$ -	\$ -	\$ -	\$ (281,785)
Public Safety	150,594	-	-	-	(150,594)
Public Works	127,040	-	96,546	-	(30,494)
Health	54,961	17,910	-	-	(37,051)
Capital Outlay	64,319	-	-	-	(64,319)
<b>Total Governmental Activities</b>	<b>\$ 678,699</b>	<b>\$ 17,910</b>	<b>\$ 96,546</b>	<b>\$ -</b>	<b>(564,243)</b>

**General Receipts**

Property Taxes Levied for:	
General Purposes	98,233
Other Purposes	337,328
Grants and Entitlements not Restricted to Specific Programs	177,310
Cable Franchise Fees	12,626
Interest	7,915
Miscellaneous	11,840
<b>Total General Receipts</b>	<b>645,252</b>
Change in Net Assets	81,009
Net Assets Beginning of Year	654,011
Net Assets End of Year	<b>\$ 735,020</b>

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



**Nile Township**  
**Scioto County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2009*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 90,335	\$ 224,695	\$ 38,574	\$ 157,591	\$ 70,667	\$ 122,628	\$ 24,248	\$ 6,282	\$ 735,020
Total Assets	<u>\$ 90,335</u>	<u>\$ 224,695</u>	<u>\$ 38,574</u>	<u>\$ 157,591</u>	<u>\$ 70,667</u>	<u>\$ 122,628</u>	<u>\$ 24,248</u>	<u>\$ 6,282</u>	<u>\$ 735,020</u>
Fund Balances									
Unreserved:									
Undesignated, Reported in:									
General Fund	\$ 90,335	-	-	-	-	-	-	-	\$ 90,335
Special Revenue Funds	<u>-</u>	<u>224,695</u>	<u>38,574</u>	<u>157,591</u>	<u>70,667</u>	<u>122,628</u>	<u>24,248</u>	<u>6,282</u>	<u>644,685</u>
Total Fund Balances	<u>\$ 90,335</u>	<u>\$ 224,695</u>	<u>\$ 38,574</u>	<u>\$ 157,591</u>	<u>\$ 70,667</u>	<u>\$ 122,628</u>	<u>\$ 24,248</u>	<u>\$ 6,282</u>	<u>\$ 735,020</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2009*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>									
Property and Other Local Taxes	\$ 98,233	\$ -	\$ 75,066	\$ 52,419	\$ 90,180	\$ 29,593	\$ 90,070	\$ -	\$ 435,561
Intergovernmental	92,730	86,830	16,571	12,771	27,957	7,890	19,193	9,914	273,856
Fines, Licenses and Permits	12,626	-	-	-	-	-	-	13,150	25,776
Earnings on Investments	3,378	4,246	-	-	-	-	-	291	7,915
Miscellaneous	6,060	-	-	5,780	-	-	-	4,760	16,600
<b>Total Receipts</b>	<b>213,027</b>	<b>91,076</b>	<b>91,637</b>	<b>70,970</b>	<b>118,137</b>	<b>37,483</b>	<b>109,263</b>	<b>28,115</b>	<b>759,708</b>
<b>Disbursements</b>									
Current:									
General Government	152,053	-	3,148	17,122	105,967	905	2,590	-	281,785
Public Safety	-	-	-	20,368	29,150	867	100,209	-	150,594
Public Works	6,771	42,553	70,579	-	-	-	-	7,137	127,040
Health	23,896	-	-	-	-	-	-	31,065	54,961
Capital Outlay	29,636	2,867	2,401	4,343	5,849	19,223	-	-	64,319
<b>Total Disbursements</b>	<b>212,356</b>	<b>45,420</b>	<b>76,128</b>	<b>41,833</b>	<b>140,966</b>	<b>20,995</b>	<b>102,799</b>	<b>38,202</b>	<b>678,699</b>
Excess of Receipts Over (Under) Disbursements	671	45,656	15,509	29,137	(22,829)	16,488	6,464	(10,087)	81,009
Fund Balances Beginning of Year	89,664	179,039	23,065	128,454	93,496	106,140	17,784	16,369	654,011
Fund Balances End of Year	<u>\$ 90,335</u>	<u>\$ 224,695</u>	<u>\$ 38,574</u>	<u>\$ 157,591</u>	<u>\$ 70,667</u>	<u>\$ 122,628</u>	<u>\$ 24,248</u>	<u>\$ 6,282</u>	<u>\$ 735,020</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 92,000	\$ 92,000	\$ 98,233	\$ 6,233
Intergovernmental	29,700	29,700	92,730	63,030
Fines, Licenses and Permits	12,000	12,000	12,626	626
Earnings on Investments	5,000	5,000	3,378	(1,622)
Miscellaneous	5,000	5,000	6,060	1,060
	143,700	143,700	213,027	69,327
Total Receipts				
Disbursements				
Current:				
General Government	175,762	175,762	152,053	23,709
Public Works	27,500	27,500	6,771	20,729
Health	7,971	7,971	23,896	(15,925)
Capital Outlay	9,000	9,000	29,636	(20,636)
	220,233	220,233	212,356	7,877
Total Disbursements				
Excess of Receipts Over (Under) Disbursements	(76,533)	(76,533)	671	77,204
Fund Balances Beginning of Year	89,664	89,664	89,664	-
Fund Balances End of Year	\$ 13,131	\$ 13,131	\$ 90,335	\$ 77,204

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 86,830	\$ 11,830
Earnings on Investments	5,000	5,000	4,246	(754)
Total Receipts	80,000	80,000	91,076	11,076
Disbursements				
Current:				
Public Works	170,000	170,000	42,553	127,447
Capital Outlay	77,738	77,738	2,867	74,871
Total Disbursements	247,738	247,738	45,420	202,318
Excess of Receipts Over (Under) Disbursements	(167,738)	(167,738)	45,656	213,394
Fund Balances Beginning of Year	179,039	179,039	179,039	-
Fund Balances End of Year	\$ 11,301	\$ 11,301	\$ 224,695	\$ 213,394

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 77,000	\$ 77,000	\$ 75,066	\$ (1,934)
Intergovernmental	1,000	1,000	16,571	15,571
Total Receipts	78,000	78,000	91,637	13,637
Disbursements				
Current:				
General Government	5,500	5,500	3,148	2,352
Public Works	92,500	92,500	70,579	21,921
Capital Outlay	2,500	2,500	2,401	99
Total Disbursements	100,500	100,500	76,128	24,372
Excess of Receipts Over (Under) Disbursements	(22,500)	(22,500)	15,509	38,009
Fund Balances Beginning of Year	23,065	23,065	23,065	-
Fund Balances End of Year	\$ 565	\$ 565	\$ 38,574	\$ 38,009

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 39,000	\$ 39,000	\$ 52,419	\$ 13,419
Intergovernmental	1,000	1,000	12,771	11,771
Miscellaneous	1,000	1,000	5,780	4,780
<b>Total Receipts</b>	<b>41,000</b>	<b>41,000</b>	<b>70,970</b>	<b>29,970</b>
Disbursements				
Current:				
General Government	22,000	22,000	17,122	4,878
Public Safety	32,250	32,250	20,368	11,882
Capital Outlay	120,000	120,000	4,343	115,657
Debt Service:				
Principal Payment	3,500	3,500	-	3,500
Interest and Fiscal Charges	2,000	2,000	-	2,000
<b>Total Disbursements</b>	<b>179,750</b>	<b>179,750</b>	<b>41,833</b>	<b>137,917</b>
Excess of Receipts Over (Under) Disbursements	(138,750)	(138,750)	29,137	167,887
Fund Balances Beginning of Year	128,454	128,454	128,454	-
Fund Balances End of Year	<u>\$ (10,296)</u>	<u>\$ (10,296)</u>	<u>\$ 157,591</u>	<u>\$ 167,887</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Ambulance Levy Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 85,000	\$ 85,000	\$ 90,180	\$ 5,180
Intergovernmental	1,500	1,500	27,957	26,457
Miscellaneous	5,000	5,000	-	(5,000)
Total Receipts	91,500	91,500	118,137	26,637
Disbursements				
Current:				
General Government	143,500	143,500	105,967	37,533
Public Safety	30,000	30,000	29,150	850
Capital Outlay	10,500	10,500	5,849	4,651
Total Disbursements	184,000	184,000	140,966	43,034
Excess of Receipts Over (Under) Disbursements	(92,500)	(92,500)	(22,829)	69,671
Fund Balances Beginning of Year	93,496	93,496	93,496	-
Fund Balances End of Year	\$ 996	\$ 996	\$ 70,667	\$ 69,671

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Equipment Levy Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 23,000	\$ 23,000	\$ 29,593	\$ 6,593
Intergovernmental	600	600	7,890	7,290
Total Receipts	<u>23,600</u>	<u>23,600</u>	<u>37,483</u>	<u>13,883</u>
Disbursements				
Current:				
General Government	4,000	4,000	905	3,095
Public Safety	10,000	10,000	867	9,133
Capital Outlay	75,000	75,000	19,223	55,777
Total Disbursements	<u>89,000</u>	<u>89,000</u>	<u>20,995</u>	<u>68,005</u>
Excess of Receipts Over (Under) Disbursements	(65,400)	(65,400)	16,488	81,888
Fund Balances Beginning of Year	<u>106,140</u>	<u>106,140</u>	<u>106,140</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 40,740</u>	<u>\$ 40,740</u>	<u>\$ 122,628</u>	<u>\$ 81,888</u>

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



**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Levy Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Receipts				
Property and Other Local Taxes	\$ 95,000	\$ 95,000	\$ 90,070	\$ (4,930)
Intergovernmental	100	100	19,193	19,093
Total Receipts	<u>95,100</u>	<u>95,100</u>	<u>109,263</u>	<u>14,163</u>
Disbursements				
Current:				
General Government	7,500	7,500	2,590	4,910
Public Safety	<u>100,000</u>	<u>100,000</u>	<u>100,209</u>	<u>(209)</u>
Total Disbursements	<u>107,500</u>	<u>107,500</u>	<u>102,799</u>	<u>4,701</u>
Excess of Receipts Over (Under) Disbursements	(12,400)	(12,400)	6,464	18,864
Fund Balances Beginning of Year	<u>17,784</u>	<u>17,784</u>	<u>17,784</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 5,384</u>	<u>\$ 5,384</u>	<u>\$ 24,248</u>	<u>\$ 18,864</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2008*

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<b>Assets</b>	Governmental Activities
Equity in Pooled Cash and Cash Equivalents	<u>\$ 654,011</u>
<i>Total Assets</i>	<u><u>\$ 654,011</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 564,347
Unrestricted	<u>89,664</u>
<i>Total Net Assets</i>	<u><u>\$ 654,011</u></u>

See accompanying notes to the basic financial statements

**Nile Township  
Scioto County**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2008*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 272,444	\$ -	\$ -	\$ -	\$ (272,444)
Public Safety	118,567	-	-	-	(118,567)
Public Works	129,587	-	100,051	-	(29,536)
Health	54,596	31,530	-	-	(23,066)
Capital Outlay	162,737	-	-	-	(162,737)
Principal Payments	21,524	-	-	-	(21,524)
Interest and Fiscal Charges	858	-	-	-	(858)
<b>Total Governmental Activities</b>	<b>\$ 760,313</b>	<b>\$ 31,530</b>	<b>\$ 100,051</b>	<b>\$ -</b>	<b>(628,732)</b>
<b>General Receipts</b>					
Property Taxes Levied for:					
General Purposes					96,913
Other Purposes					304,561
Grants and Entitlements not Restricted to Specific Programs					131,294
Cable Franchise Fees					7,971
Interest					12,516
Miscellaneous					5,600
<b>Total General Receipts</b>					<b>558,855</b>
Change in Net Assets					(69,877)
Net Assets Beginning of Year					723,888
Net Assets End of Year					<b>\$ 654,011</b>

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

**Nile Township**  
**Scioto County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2008*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 89,664	\$ 179,039	\$ 23,065	\$ 128,454	\$ 93,496	\$ 106,140	\$ 17,784	\$ 16,369	\$ 654,011
Total Assets	<u>\$ 89,664</u>	<u>\$ 179,039</u>	<u>\$ 23,065</u>	<u>\$ 128,454</u>	<u>\$ 93,496</u>	<u>\$ 106,140</u>	<u>\$ 17,784</u>	<u>\$ 16,369</u>	<u>\$ 654,011</u>
Fund Balances									
Unreserved:									
Undesignated, Reported in:									
General Fund	\$ 89,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,664
Special Revenue Funds	-	179,039	23,065	128,454	93,496	106,140	17,784	16,369	564,347
Total Fund Balances	<u>\$ 89,664</u>	<u>\$ 179,039</u>	<u>\$ 23,065</u>	<u>\$ 128,454</u>	<u>\$ 93,496</u>	<u>\$ 106,140</u>	<u>\$ 17,784</u>	<u>\$ 16,369</u>	<u>\$ 654,011</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Policy Levy Fund	Other Governmental Funds	Totals Governmental Funds
<b>Receipts</b>									
Property and Other Local Taxes	\$ 96,913	\$ -	\$ 73,671	\$ 51,405	\$ 88,315	\$ 28,962	\$ 62,208	\$ -	\$ 401,474
Intergovernmental	64,834	89,805	15,565	11,960	19,733	6,370	12,832	10,246	231,345
Fines, Licenses and Permits	7,971	-	-	-	-	-	-	18,160	26,131
Earnings on Investments	5,244	6,205	-	-	-	-	-	1,067	12,516
Miscellaneous	5,255	-	-	345	-	-	-	13,370	18,970
<b>Total Receipts</b>	<b>180,217</b>	<b>96,010</b>	<b>89,236</b>	<b>63,710</b>	<b>108,048</b>	<b>35,332</b>	<b>75,040</b>	<b>42,843</b>	<b>690,436</b>
<b>Disbursements</b>									
<b>Current:</b>									
General Government	152,036	-	4,117	15,347	98,271	871	1,802	-	272,444
Public Safety	-	-	-	20,279	17,678	4,433	76,177	-	118,567
Public Works	10,946	14,424	90,851	-	-	-	-	13,366	129,587
Health	20,825	-	-	-	-	-	-	33,771	54,596
Capital Outlay	79,359	3,653	2,849	69,241	5,498	-	-	2,137	162,737
<b>Debt Service:</b>									
Principal Payment	-	-	-	-	-	21,524	-	-	21,524
Interest and Fiscal Charges	-	-	-	-	-	858	-	-	858
<b>Total Disbursements</b>	<b>263,166</b>	<b>18,077</b>	<b>97,817</b>	<b>104,867</b>	<b>121,447</b>	<b>27,686</b>	<b>77,979</b>	<b>49,274</b>	<b>760,313</b>
Excess of Receipts Over (Under) Disbursements	(82,949)	77,933	(8,581)	(41,157)	(13,399)	7,646	(2,939)	(6,431)	(69,877)
Fund Balances Beginning of Year	172,613	101,106	31,646	169,611	106,895	98,494	20,723	22,800	723,888
Fund Balances End of Year	\$ 89,664	\$ 179,039	\$ 23,065	\$ 128,454	\$ 93,496	\$ 106,140	\$ 17,784	\$ 16,369	\$ 654,011

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 107,000	\$ 107,000	\$ 96,913	\$ (10,087)
Intergovernmental	15,001	14,550	64,834	50,284
Fines, Licenses and Permits	-	-	7,971	7,971
Earnings on Investments	7,500	7,500	5,244	(2,256)
Miscellaneous	5,000	5,000	5,255	255
	<u>134,501</u>	<u>134,050</u>	<u>180,217</u>	<u>46,167</u>
Total Receipts				
Disbursements				
Current:				
General Government	186,194	214,194	152,036	62,158
Public Works	80,000	52,000	10,946	41,054
Health	-	-	20,825	(20,825)
Capital Outlay	30,000	30,000	79,359	(49,359)
	<u>296,194</u>	<u>296,194</u>	<u>263,166</u>	<u>33,028</u>
Total Disbursements				
Excess of Receipts Over (Under) Disbursements	(161,693)	(162,144)	(82,949)	79,195
Fund Balances Beginning of Year	<u>172,613</u>	<u>172,613</u>	<u>172,613</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 10,920</u>	<u>\$ 10,469</u>	<u>\$ 89,664</u>	<u>\$ 79,195</u>

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 89,805	\$ 39,805
Earnings on Investments	1,000	1,000	6,205	5,205
Total Receipts	51,000	51,000	96,010	45,010
Disbursements				
Current:				
Public Works	130,000	130,000	14,424	115,576
Capital Outlay	25,000	25,000	3,653	21,347
Total Disbursements	155,000	155,000	18,077	136,923
Excess of Receipts Over (Under) Disbursements	(104,000)	(104,000)	77,933	181,933
Fund Balances Beginning of Year	101,106	101,106	101,106	-
Fund Balances End of Year	\$ (2,894)	\$ (2,894)	\$ 179,039	\$ 181,933

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 62,000	\$ 62,000	\$ 73,671	\$ 11,671
Intergovernmental	10,500	10,500	15,565	5,065
Total Receipts	72,500	72,500	89,236	16,736
Disbursements				
Current:				
General Government	5,500	5,500	4,117	1,383
Public Works	95,188	95,188	90,851	4,337
Capital Outlay	3,250	3,250	2,849	401
Total Disbursements	103,938	103,938	97,817	6,121
Excess of Receipts Over (Under) Disbursements	(31,438)	(31,438)	(8,581)	22,857
Fund Balances Beginning of Year	31,646	31,646	31,646	-
Fund Balances End of Year	\$ 208	\$ 208	\$ 23,065	\$ 22,857

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



**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 47,500	\$ 47,500	\$ 51,405	\$ 3,905
Intergovernmental	4,250	4,250	11,960	7,710
Miscellaneous	500	500	345	(155)
Total Receipts	52,250	52,250	63,710	11,460
Disbursements				
Current:				
General Government	24,500	24,500	15,347	9,153
Public Safety	45,250	45,250	20,279	24,971
Capital Outlay	145,000	145,000	69,241	75,759
Debt Service:				
Principal Payment	2,500	2,500	-	2,500
Interest and Fiscal Charges	2,000	2,000	-	2,000
Total Disbursements	219,250	219,250	104,867	114,383
Excess of Receipts Over (Under) Disbursements	(167,000)	(167,000)	(41,157)	125,843
Fund Balances Beginning of Year	169,611	169,611	169,611	-
Fund Balances End of Year	\$ 2,611	\$ 2,611	\$ 128,454	\$ 125,843

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Ambulance Levy Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 82,000	\$ 82,000	\$ 88,315	\$ 6,315
Intergovernmental	10,500	10,500	19,733	9,233
Miscellaneous	500	500	-	(500)
Total Receipts	93,000	93,000	108,048	15,048
Disbursements				
Current:				
General Government	145,612	145,612	98,271	47,341
Public Safety	37,000	37,000	17,678	19,322
Capital Outlay	17,000	17,000	5,498	11,502
Total Disbursements	199,612	199,612	121,447	78,165
Excess of Receipts Over (Under) Disbursements	(106,612)	(106,612)	(13,399)	93,213
Fund Balances Beginning of Year	106,895	106,895	106,895	-
Fund Balances End of Year	\$ 283	\$ 283	\$ 93,496	\$ 93,213

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Equipment Levy Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 26,000	\$ 26,000	\$ 28,962	\$ 2,962
Intergovernmental	3,750	3,750	6,370	2,620
Total Receipts	29,750	29,750	35,332	5,582
Disbursements				
Current:				
General Government	4,000	4,000	871	3,129
Public Safety	10,000	10,000	4,433	5,567
Capital Outlay	85,000	85,000	-	85,000
Debt Service:				
Principal Payment	24,000	24,000	21,524	2,476
Interest and Fiscal Charges	4,000	4,000	858	3,142
Total Disbursements	127,000	127,000	27,686	99,314
Excess of Receipts Over (Under) Disbursements	(97,250)	(97,250)	7,646	104,896
Fund Balances Beginning of Year	98,494	98,494	98,494	-
Fund Balances End of Year	\$ 1,244	\$ 1,244	\$ 106,140	\$ 104,896

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

**Nile Township**  
**Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Levy Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ 62,208	\$ 62,208
Intergovernmental	65,000	65,000	12,832	(52,168)
Total Receipts	<u>65,000</u>	<u>65,000</u>	<u>75,040</u>	<u>10,040</u>
Disbursements				
Current:				
General Government	4,500	4,500	1,802	2,698
Public Safety	81,000	81,000	76,177	4,823
Total Disbursements	<u>85,500</u>	<u>85,500</u>	<u>77,979</u>	<u>7,521</u>
Excess of Receipts Over (Under) Disbursements	(20,500)	(20,500)	(2,939)	17,561
Fund Balances Beginning of Year	<u>20,723</u>	<u>20,723</u>	<u>20,723</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 223</u>	<u>\$ 223</u>	<u>\$ 17,784</u>	<u>\$ 17,561</u>

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

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 1 – Reporting Entity**

The Nile Township, Scioto County, Ohio, is a body politic and corporate established in 1803 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township utilizes the Nile Volunteer Fire Department for fire protection. Police protection is provided by the Scioto County Sheriff Office. (Police Protection Levy)

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

**C. Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township has no joint ventures.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 2 – Summary of Significant Accounting Policies** (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All funds of the Township are governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy and Police Levy. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax and Road & Bridge funds are used for the purpose of road and bridge maintenance in the Township. The Fire Levy and Ambulance Levy funds are used to run Fire and EMS services in the Township. The Fire Equipment Levy fund was established to supplement the original fire levy with the purchase of fire equipment. The Police Levy provides a Scioto County Sheriff Deputy to the Township forty-hours per week.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

**Nile Township**  
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Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 2 – Summary of Significant Accounting Policies** (continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate.

The appropriations resolution is the Board of Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the end of the year.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2009 and 2008, the Township's only investment was a repurchase agreement.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 and 2008 were \$3,378 and \$5,244, respectively, and \$4,537 and \$7,272, respectively, was credited to other Township funds.

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 2 – Summary of Significant Accounting Policies** (continued)

**F. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

**I. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**J. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**K. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for operations of the fire department, emergency management services department and maintenance of roads.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include resources restricted for the Gasoline Tax Fund, Road and Bridge Fund, Fire Levy Fund, Ambulance Levy Fund, Fire Equipment Levy Fund, and Police Levy Fund.

**L. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township had no fund balance reserves at December 31, 2009 or 2008.



**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 2 – Summary of Significant Accounting Policies** (continued)

**M. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. The Township had no interfund transactions for the years ending December 31, 2009 and 2008.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Levy Fund, Ambulance Levy Fund, Fire Equipment Levy Fund and Police Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 4 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 4 – Deposits and Investments** (continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, the carrying amount of the Township's deposits was \$62,527 and the bank balance was \$70,000. The entire bank balance was covered by the Federal Depository Insurance Corporation or collateralized. At December 31, 2008, the carrying amount of the Township's deposits was \$63,296 and the bank balance was \$70,000. The entire bank balance was covered by the Federal Depository Insurance Corporation or collateralized. Although all State Statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the Federal Depository Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of December 31, 2009 and 2008, the Township had invested \$672,493 and \$590,715 respectively in repurchase agreements which mature daily.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township has no policy regarding interest rate risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township limits its investments to repurchase agreements.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The repurchase agreement is exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township has no policy for this risk. A repurchase agreement makes up 100% of the Township's investments.

**Nile Township**  
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Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008, was 17.91 mills. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

	<u>2009</u>	<u>2008</u>
Real Property		
Residential / Agriculture	\$34,670,320	\$ 33,649,090
Public Utility Property	1,237,630	1,185,960
Tangible Personal Property	95,520	228,860
Total Assessed Value	\$36,003,470	\$35,063,910

**Note 6 – Risk Management**

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

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA 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 OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

**Casualty and Property Coverage**

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

**Nile Township**  
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Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 6 – Risk Management** (Continued)

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

**Financial Position**

OTARMA’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	\$38,982,088	\$40,737,740
Liabilities	(12,880,766)	(12,981,818)
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 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 Township’s share of these unpaid claims collectible in future years is approximately \$24,000.

Based on discussions with OTARMA, the expected rates OTARMA 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 OTARMA for each year of membership.

<b><u>Contributions to OTARMA</u></b>	
<u>2009</u>	<u>2008</u>
\$22,689	\$23,199

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA 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 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.

**Note 7 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at

**Nile Township**  
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Notes to the Financial Statements  
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**Note 7 – Defined Benefit Pension Plan** (Continued)

**A. Ohio Public Employees Retirement System** (Continued)

20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll, The Township's contribution rate for 2009 and 2008 was 14 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$25,692, \$24,277, and \$24,857 respectively. The full amount has been contributed for 2009, 2008 and 2007.

**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment healthcare plan. For qualifying members of both the traditional and combined pension plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the member-directed plan do not qualify for ancillary benefits, including post-employment healthcare coverage.

To qualify for post-employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB 45.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 8 - Postemployment Benefits** (Continued)

**A. Ohio Public Employees Retirement System (Continued)**

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of covered payroll of active members. In 2009 and 2008, local government employers contributed 14 percent of covered payroll. The Ohio Revised Code currently limits the employers contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$11,561, \$10,925 and \$9,890 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

The OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) on September 9, 2004, which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**Note 9 – Debt**

The Township's long-term debt activity for the year ended December 31, 2008, was as follows:

	Interest	Balance	Additions	Reductions	Balance
	Rate	December 31, 2007			December 31, 2008
Governmental Activities					
General Obligation Bond:					
2003 Fire Truck	3.7%	\$21,524	\$0	\$21,524	\$0
Total		\$21,524	\$0	\$21,524	\$0

The 2003 general obligation bond is to finance the purchase of a fire truck. The Township paid off the bonds in 2008.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of debt limitations at December 31, 2009 and 2008 respectively were an overall debt margin of \$3,240,312 and \$3,155,752 and an unvoted debt margin of \$36,003 and \$35,064.

**Note 10 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Nile Township**  
**Scioto County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 11 – Related Party Transactions**

At each monthly meeting, Gene Ridout, Township Trustee, made or approved motions to approve bills to be paid each month. Quality Heating and Air was included amongst the bills to be paid on six occasions in 2009 and on two occasions in 2008. Quality Heating and Air is owned by Gene Ridout's son.

<u>Check Date</u>	<u>Check #</u>	<u>Check Amount</u>	<u>Vendor</u>
1/7/2009	5497	\$ 1,780	Quality Heating & Air
2/3/2009	5563	71	Quality Heating & Air
4/1/2009	5705	158	Quality Heating & Air
5/4/2009	5802	72	Quality Heating & Air
6/18/2009	5885	25	Quality Heating & Air
12/18/2009	6315	112	Quality Heating & Air
<i>Total 2009</i>		<u>\$ 2,218</u>	
7/14/2008	5157	\$ 60	Quality Heating & Air
12/9/2008	5455	343	Quality Heating & Air
<i>Total 2008</i>		<u>\$ 403</u>	
Grand Total		<u>\$ 2,621</u>	

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Trustees  
Nile Township  
P.O. Box 100  
Friendship, Ohio 45630

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nile Township, Scioto County, Ohio (the Township) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basis financial statements and have issued our report thereon dated August 13, 2010, wherein we noted the Township follows the cash basis of accounting, a basis of accounting other than generally accepted accounting principles. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township'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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. This item is identified as item 2009-001.



Nile Township  
Scioto County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Responses as 2009-002.

We noted certain matters that we reported to management of the Township in a separate letter dated August 13, 2010.

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

This report is intended solely for the information and use of management, the Board of Trustees, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

August 13, 2010

**Nile Township**  
**Scioto County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2009 and 2008*

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**Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS**

**FINDING NUMBER 2009-001**

**Material Weakness – Material Misclassifications**

A monitoring system by the Township should be in place to prevent or detect material misstatements for the accurate presentation of the Township's financial statements. The Township misclassified property tax reimbursements from the State. In accordance with the UAN handbook issued by the Auditor of State, property tax reimbursement receipts should be recorded as intergovernmental receipts. The Township reported these receipts as property tax receipts. The Township should implement additional monitoring procedures to ensure receipts are recorded in accordance with published guidelines.

***Client Response:***

The Fiscal Officer will examine the UAN system for more accurate line items so both revenues and expenses can be properly classified.

**FINDING NUMBER 2009-002**

**Noncompliance Citation – Ohio Revised Code Section 5705.41 (D)**

Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The statute provides the following exceptions to this basic requirement:

**Then and Now Certificate:** This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$3,000 for political subdivisions other than counties, may be paid by the fiscal officer without such affirmation of the taxing authority 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.

Sixty-six percent of disbursements tested in 2008 and eighty-seven percent of disbursements tested in 2009 had invoice dates preceding the encumbrance date. Failure to certify the availability of funds properly can result in over spending funds and negative cash fund balances. Management failed to properly monitor purchasing needs and encumber funds prior to commitment. The Township should implement budgetary monitoring procedures to ensure that funds are properly and timely encumbered prior to commitment.

***Client Response:***

The Fiscal Officer will ensure Ohio Revised Code Section 5705.41(D) is followed in the expenditure of funds. Disbursements will have invoice dates that have encumbered funds prior to the commitments.

**Nile Township  
Scioto County**

*Schedule of Prior Audit Findings  
For the Years Ended December 31, 2009 and 2008*

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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 Revised Code 5705.41(D) – proper certification of funds.	No	Reissued as Finding Number 2009-002
2007-002	Material Weakness – financial reporting	No	Reissued as Finding Number 2009-001

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**Mary Taylor, CPA**  
Auditor of State

**NILE TOWNSHIP**

**SCIOTO 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  
NOVEMBER 16, 2010**