



Mary Taylor, CPA
Auditor of State

**NILE TOWNSHIP
SCIOTO COUNTY**

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**NILE TOWNSHIP
SCIOTO COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Nile Township
Scioto County
P.O. Box 100
Friendship, Ohio 45630

To the Board of Trustees:

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, 2007 and 2006, 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 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed 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, 2007 and 2006, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire, Ambulance, Fire Equipment Levy, and Cops Program Funds for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2007 and 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008, on our consideration of the Township'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.

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.

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

Mary Taylor, CPA
Auditor of State

September 30, 2008

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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, 2007 and 2006, 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 2007 are as follows:

Net assets of governmental activities decreased \$9,165 or 1 percent, an insignificant change from the prior year.

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

The Township began the process to construct a new office building and fire station.

Key highlights for 2006 are as follows:

Net assets of governmental activities decreased \$21,362 or 3 percent. The main reason for the decrease was an overall increase in expenditures during 2006.

The Township's general receipts are primarily property taxes, permissive sales taxes, local government revenue assistance, franchise fees and interest. Property taxes changed very little when compared to prior years.

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 basic 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.

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances 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 and income 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.

Nile Township, Scioto County
 Management's Discussion and Analysis
 For the Years Ended December 31, 2007 and 2006
 Unaudited

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 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 Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Fire Equipment Levy Fund, and Cops Program Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 compared to 2005.

(Table 1)
Net Assets

	Governmental Activities		
	2007	2006	2005
Assets			
Cash and Cash Equivalents	\$723,888	\$733,053	\$754,415
Total Assets	\$723,888	\$733,053	\$754,415
 Net Assets			
Restricted for:			
Other Purposes	\$551,275	\$537,393	\$574,328
Unrestricted	172,613	195,660	180,087
Total Net Assets	\$723,888	\$733,053	\$754,415

As mentioned previously, net assets of governmental activities decreased \$9,165 or 1 percent during 2007. The primary reason contributing to the decrease in cash balances is as follows:

- The Township had several streets that were in very poor condition that needed extensive repairs.

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Table 2 reflects the changes in net assets in 2007 and 2006 and the comparisons to fiscal year 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$22,075	\$28,130	\$23,729
Operating Grants and Contributions	98,627	95,372	147,271
Capital Grants and Contributions	22,125	57,475	
Total Program Receipts	<u>142,827</u>	<u>180,977</u>	<u>171,000</u>
General Receipts:			
Property Taxes	337,366	329,942	89,808
Other Purposes	59,116	58,409	300,266
Grants and Entitlements Not Restricted to Specific Programs	129,667	181,899	81,143
Cable Franchise Fees	8,374	8,569	
Interest	19,665	12,162	7,056
Miscellaneous	5,150	10,640	13,982
Total General Receipts	<u>559,338</u>	<u>601,621</u>	<u>492,255</u>
Total Receipts	<u>702,165</u>	<u>782,598</u>	<u>663,255</u>
Disbursements:			
General Government	141,710	144,165	227,135
Public Safety	216,286	218,739	95,612
Public Works	154,042	113,163	272,713
Health	54,499	58,955	28,968
Capital Outlay	122,519	246,664	49,561
Principal Payments	20,660	19,838	22,274
Interest and Fiscal Charges	1,614	2,436	
Total Disbursements	<u>711,330</u>	<u>803,960</u>	<u>696,263</u>
Increase (Decrease) in Net Assets	(9,165)	(21,362)	(33,008)
Net Assets, January 1	<u>733,053</u>	<u>754,415</u>	<u>787,423</u>
Net Assets, December 31	<u>\$723,888</u>	<u>\$733,053</u>	<u>\$754,415</u>

In 2007, governmental activities program receipts represent 20% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

In 2006, governmental activities program receipts represent 23% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

In 2007, governmental activities general receipts represent 80% of the Township's total governmental receipts, and of this amount, 71% are property and local taxes. Other receipts such as cable franchise fees and interest are somewhat unpredictable revenue sources.

In 2006, governmental activities general receipts represent 77% of the Township's total governmental receipts, and of this amount, 65% are property and local taxes. Other receipts such as cable franchise fees and interest are somewhat unpredictable revenue sources.

In 2007 and 2006, disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include all or a portion of the costs of Board, Fiscal Officer, audit expense, and maintenance.

Public Safety is the costs of sheriff and fire protection and ambulance services. Public Works is the cost of maintaining the roads.

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. In 2007, the major program disbursements for governmental activities are for Public Safety, Public Works and General Government, which account for 30, 22 and 20 percent of all governmental disbursements, respectively. In 2006, the major program disbursements for governmental activities are for General Government, Public Safety and Capital Outlay which account for 18, 27 and 31 percent of all governmental disbursements respectively. 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)
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
General Government	\$141,710	\$141,710	\$144,165	\$144,165	\$227,135	\$206,179
Public Safety	216,286	216,286	218,739	218,739	95,612	77,718
Public Works	154,042	55,415	113,163	17,791	272,713	188,393
Health	54,499	32,424	58,955	30,825	28,968	1,857
Capital Outlay	122,519	100,394	246,664	189,189	49,561	31,954
Principal Payments	20,660	20,660	19,838	19,838	22,274	19,162
Interest and Fiscal Charges	1,614	1,614	2,436	2,436		
Total Expenses	\$711,330	\$568,503	\$803,960	\$622,983	\$696,263	\$525,263

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The Township's Funds

In 2007, total governmental funds had receipts of \$702,165 and disbursements of \$711,330. The Gasoline Tax Fund increased \$40,112 in 2007 due to there being limited paving projects in 2007.

In 2006, total governmental funds had receipts of \$782,598 and disbursements of \$803,960. The Fire Fund increased \$16,835 which was mainly due to a decrease in expenditures.

General Fund receipts and expenditures are closely monitored as the receipts are limited and somewhat unpredictable such as inheritance tax and interest.

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.

During 2007, the Township did not amend the General Fund expense appropriations.

Final disbursements were budgeted at \$303,200 while actual disbursements were \$224,289. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances.

During 2006, the Township did not amend the General Fund expense appropriations. Final budgeted receipts were equal to original budgeted receipts.

Final disbursements were budgeted at \$301,500 while actual disbursements were \$220,932. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances. The result is an increase in fund balance of \$15,573 for 2006.

Capital Assets and Debt Administration

Capital Assets

The Township does not 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.

Debt

At December 31, 2007, the Township's outstanding debt included \$21,523 in general obligation bonds issued for the purchase of a fire truck. For further information regarding the Township's debt, refer to the basic financial statements, Note 9.

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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.

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, Township Fiscal Officer, P.O. Box 100, Friendship, Ohio 45630 or phone (740) 858-4777.

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Nile Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$723,888</u>
<i>Total Assets</i>	<u><u>\$723,888</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$551,275
Unrestricted	<u>172,613</u>
<i>Total Net Assets</i>	<u><u>\$723,888</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, 2007

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$141,710				(\$141,710)
Public Safety	216,286				(216,286)
Public Works	154,042		\$98,627		(55,415)
Health	54,499	\$22,075			(32,424)
Capital Outlay	122,519			\$22,125	(100,394)
Principal Payments	20,660				(20,660)
Interest and Fiscal Charges	1,614				(1,614)
<i>Total Governmental Activities</i>	<u>\$711,330</u>	<u>\$22,075</u>	<u>\$98,627</u>	<u>\$22,125</u>	<u>(568,503)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			337,366
		Other Taxes			59,116
		Grants and Entitlements not Restricted to Specific Programs			129,667
		Cable Franchise Fees			8,374
		Interest			19,665
		Miscellaneous			5,150
		<i>Total General Receipts</i>			<u>559,338</u>
		Change in Net Assets			(9,165)
		<i>Net Assets Beginning of Year</i>			<u>733,053</u>
		<i>Net Assets End of Year</i>			<u>\$723,888</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Fire Equipment Levy Fund	Cops Program Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$172,613	\$101,106	\$31,646	\$169,611	\$106,895	\$98,494	\$20,723	\$22,800	\$723,888
<i>Total Assets</i>	<u>\$172,613</u>	<u>\$101,106</u>	<u>\$31,646</u>	<u>\$169,611</u>	<u>\$106,895</u>	<u>\$98,494</u>	<u>\$20,723</u>	<u>\$22,800</u>	<u>\$723,888</u>
Fund Balances									
Reserved:									
Reserved for Encumbrances	\$1,694		\$1,188		\$1,912				\$4,794
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	170,919								170,919
Special Revenue Funds		\$101,106	30,458	\$169,611	104,983	\$98,494	\$20,723	\$22,800	548,175
<i>Total Fund Balances</i>	<u>\$172,613</u>	<u>\$101,106</u>	<u>\$31,646</u>	<u>\$169,611</u>	<u>\$106,895</u>	<u>\$98,494</u>	<u>\$20,723</u>	<u>\$22,800</u>	<u>\$723,888</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Fire Equipment Levy Fund	Cops Program Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$89,474		\$69,498	\$52,359	\$92,403	\$30,100	\$62,648		\$396,482
Licenses, Permits and Fees	8,374							\$15,200	23,574
Intergovernmental	80,237	\$88,447	10,556	11,026	13,172	4,368	10,308	32,305	250,419
Interest	16,313	2,882						470	19,665
Miscellaneous	5,150							6,875	12,025
<i>Total Receipts</i>	<u>199,548</u>	<u>91,329</u>	<u>80,054</u>	<u>63,385</u>	<u>105,575</u>	<u>34,468</u>	<u>72,956</u>	<u>54,850</u>	<u>702,165</u>
Disbursements									
Current:									
General Government	141,710								141,710
Public Safety				28,318	109,399	6,586	71,983		216,286
Public Works	39,849	5,635	90,938					17,620	154,042
Health	24,622							29,877	54,499
Capital Outlay	16,414	45,582	4,105	8,865	6,226	9,102		32,225	122,519
Debt Service:									
Principal Retirement						20,660			20,660
Interest and Fiscal Charges						1,614			1,614
<i>Total Disbursements</i>	<u>222,595</u>	<u>51,217</u>	<u>95,043</u>	<u>37,183</u>	<u>115,625</u>	<u>37,962</u>	<u>71,983</u>	<u>79,722</u>	<u>711,330</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(23,047)	40,112	(14,989)	26,202	(10,050)	(3,494)	973	(24,872)	(9,165)
<i>Fund Balances Beginning of Year</i>	<u>195,660</u>	<u>60,994</u>	<u>46,635</u>	<u>143,409</u>	<u>116,945</u>	<u>101,988</u>	<u>19,750</u>	<u>47,672</u>	<u>733,053</u>
<i>Fund Balances End of Year</i>	<u>\$172,613</u>	<u>\$101,106</u>	<u>\$31,646</u>	<u>\$169,611</u>	<u>\$106,895</u>	<u>\$98,494</u>	<u>\$20,723</u>	<u>\$22,800</u>	<u>\$723,888</u>

See accompanying notes to the basic financial statements

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$83,000	\$59,101	\$89,474	\$30,373
Licenses, Permits and Fees		8,374	8,374	0
Intergovernmental	16,550	32,075	80,237	48,162
Interest	3,500	10,964	16,313	5,349
Miscellaneous	5,000	5,000	5,150	150
<i>Total Receipts</i>	108,050	115,514	199,548	84,034
Disbursements				
Current:				
General Government	176,200	176,578	143,404	33,174
Public Works	95,000	70,000	39,849	30,151
Health		24,622	24,622	0
Capital Outlay	32,000	32,000	16,414	15,586
<i>Total Disbursements</i>	303,200	303,200	224,289	78,911
<i>Excess of Receipts Over (Under) Disbursements</i>	(195,150)	(187,686)	(24,741)	162,945
<i>Fund Balance Beginning of Year</i>	195,660	195,660	195,660	0
<i>Fund Balance End of Year</i>	\$510	\$7,974	\$170,919	\$162,945

See accompanying notes to the basic financial statements

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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$53,030	\$53,030	\$88,447	\$35,417
Interest	3,182	3,182	2,882	(300)
<i>Total Receipts</i>	<u>56,212</u>	<u>56,212</u>	<u>91,329</u>	<u>35,117</u>
Disbursements				
Current:				
Public Works	110,000	66,418	5,635	60,783
Capital Outlay	3,000	46,582	45,582	1,000
<i>Total Disbursements</i>	<u>113,000</u>	<u>113,000</u>	<u>51,217</u>	<u>61,783</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(56,788)	(56,788)	40,112	96,900
<i>Fund Balance Beginning of Year</i>	<u>60,994</u>	<u>60,994</u>	<u>60,994</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,206</u></u>	<u><u>\$4,206</u></u>	<u><u>\$101,106</u></u>	<u><u>\$96,900</u></u>

See accompanying notes to the basic financial statements

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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$58,000	\$58,000	\$69,498	\$11,498
Intergovernmental	14,000	14,000	10,556	(3,444)
<i>Total Receipts</i>	<u>72,000</u>	<u>72,000</u>	<u>80,054</u>	<u>8,054</u>
Disbursements				
Current:				
General Government	5,000	4,158		4,158
Public Works	108,000	108,842	92,126	16,716
Capital Outlay	5,000	5,000	4,105	895
<i>Total Disbursements</i>	<u>118,000</u>	<u>118,000</u>	<u>96,231</u>	<u>21,769</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(46,000)	(46,000)	(16,177)	29,823
<i>Fund Balance Beginning of Year</i>	<u>46,635</u>	<u>46,635</u>	<u>46,635</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$635</u>	<u>\$635</u>	<u>\$30,458</u>	<u>\$29,823</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$48,000	\$46,200	\$52,359	\$6,159
Intergovernmental	4,000	5,800	11,026	5,226
<i>Total Receipts</i>	52,000	52,000	63,385	11,385
Disbursements				
Current:				
General Government	24,000	11,711		11,711
Public Safety	117,500	129,789	28,318	101,471
Capital Outlay	35,000	35,000	8,865	26,135
Debt Service:				
Principal Retirement	15,000	15,000		15,000
Interest and Fiscal Charges	3,500	3,500		3,500
<i>Total Disbursements</i>	195,000	195,000	37,183	157,817
<i>Excess of Receipts Over (Under) Disbursements</i>	(143,000)	(143,000)	26,202	169,202
<i>Net Change in Fund Balance</i>	(143,000)	(143,000)	26,202	169,202
<i>Fund Balance Beginning of Year</i>	143,409	143,409	143,409	0
<i>Fund Balance End of Year</i>	\$409	\$409	\$169,611	\$169,202

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Fund
For the Year Ended December 31, 2007

	<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	\$80,000	\$80,000	\$92,403	\$12,403
Intergovernmental	8,000	8,000	13,172	5,172
Miscellaneous	5,000	5,000		(5,000)
<i>Total Receipts</i>	<u>93,000</u>	<u>93,000</u>	<u>105,575</u>	<u>12,575</u>
Disbursements				
Current:				
General Government	149,500	59,146	1,912	57,234
Public Safety	50,000	140,354	109,399	30,955
Capital Outlay	10,400	10,400	6,226	4,174
<i>Total Disbursements</i>	<u>209,900</u>	<u>209,900</u>	<u>117,537</u>	<u>92,363</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(116,900)	(116,900)	(11,962)	104,938
<i>Fund Balance Beginning of Year</i>	<u>116,945</u>	<u>116,945</u>	<u>116,945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45</u>	<u>\$45</u>	<u>\$104,983</u>	<u>\$104,938</u>

See accompanying notes to the basic financial statements

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, 2007*

	<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	\$27,500	\$27,500	\$30,100	\$2,600
Intergovernmental	2,000	2,000	4,368	2,368
<i>Total Receipts</i>	<u>29,500</u>	<u>29,500</u>	<u>34,468</u>	<u>4,968</u>
Disbursements				
Current:				
General Government	3,500	2,796		2,796
Public Safety	10,000	10,704	6,586	4,118
Capital Outlay	90,500	90,500	9,102	81,398
Debt Service:				0
Principal Retirement	24,000	24,000	20,660	3,340
Interest and Fiscal Charges	3,000	3,000	1,614	1,386
<i>Total Disbursements</i>	<u>131,000</u>	<u>131,000</u>	<u>37,962</u>	<u>93,038</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(101,500)	(101,500)	(3,494)	98,006
<i>Fund Balance Beginning of Year</i>	<u>101,988</u>	<u>101,988</u>	<u>101,988</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$488</u>	<u>\$488</u>	<u>\$98,494</u>	<u>\$98,006</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Cops Program Fund
 For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes		\$62,648	\$62,648	\$0
Intergovernmental	\$65,000	2,352	10,308	7,956
<i>Total Receipts</i>	<u>65,000</u>	<u>65,000</u>	<u>72,956</u>	<u>7,956</u>
Disbursements				
Current:				
General Government	4,500	2,994		2,994
Public Safety	80,000	81,506	71,983	9,523
<i>Total Disbursements</i>	<u>84,500</u>	<u>84,500</u>	<u>71,983</u>	<u>12,517</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(19,500)	(19,500)	973	20,473
<i>Fund Balance Beginning of Year</i>	<u>19,750</u>	<u>19,750</u>	<u>19,750</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$250</u>	<u>\$250</u>	<u>\$20,723</u>	<u>\$20,473</u>

See accompanying notes to the basic financial statements

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Nile Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$733,053</u>
<i>Total Assets</i>	<u><u>\$733,053</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$537,393
Unrestricted	<u>195,660</u>
<i>Total Net Assets</i>	<u><u>\$733,053</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, 2006

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$144,165				(\$144,165)
Public Safety	218,739				(218,739)
Public Works	113,163		\$95,372		(17,791)
Health	58,955	\$28,130			(30,825)
Capital Outlay	246,664			\$57,475	(189,189)
Principal Payments	19,838				(19,838)
Interest and Fiscal Charges	2,436				(2,436)
<i>Total Governmental Activities</i>	<u>\$803,960</u>	<u>\$28,130</u>	<u>\$95,372</u>	<u>\$57,475</u>	<u>(622,983)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			329,942
		Other Taxes			58,409
		Grants and Entitlements not Restricted to Specific Programs			181,899
		Cable Franchise Fees			8,569
		Interest			12,162
		Miscellaneous			10,640
		<i>Total General Receipts</i>			<u>601,621</u>
		Change in Net Assets			(21,362)
		<i>Net Assets Beginning of Year</i>			<u>754,415</u>
		<i>Net Assets End of Year</i>			<u>\$733,053</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Fire Equipment Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$195,660	\$60,994	\$46,635	\$143,409	\$116,945	\$101,988	\$67,422	\$733,053
<i>Total Assets</i>	<u>\$195,660</u>	<u>\$60,994</u>	<u>\$46,635</u>	<u>\$143,409</u>	<u>\$116,945</u>	<u>\$101,988</u>	<u>\$67,422</u>	<u>\$733,053</u>
Fund Balances								
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	\$195,660							\$195,660
Special Revenue Funds		\$60,994	\$46,635	\$143,409	\$116,945	\$101,988	\$67,422	537,393
<i>Total Fund Balances</i>	<u>\$195,660</u>	<u>\$60,994</u>	<u>\$46,635</u>	<u>\$143,409</u>	<u>\$116,945</u>	<u>\$101,988</u>	<u>\$67,422</u>	<u>\$733,053</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Fire Equipment Levy Fund	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$88,538		\$67,858	\$51,766	\$88,697	\$29,011	\$62,481	\$388,351
Licenses, Permits and Fees	8,569						20,825	29,394
Intergovernmental	127,409	\$85,545	13,005	9,196	17,967	4,918	76,706	334,746
Interest	5,473	4,865					1,824	12,162
Miscellaneous	6,516			1,318	2,806		7,305	17,945
<i>Total Receipts</i>	<u>236,505</u>	<u>90,410</u>	<u>80,863</u>	<u>62,280</u>	<u>109,470</u>	<u>33,929</u>	<u>169,141</u>	<u>782,598</u>
Disbursements								
Current:								
General Government	144,165							144,165
Public Safety				25,964	111,374	2,002	79,399	218,739
Public Works	12,867	21,134	66,905				12,257	113,163
Health	21,831						37,124	58,955
Capital Outlay	42,069	99,383	4,564	19,481	16,682		64,485	246,664
Debt Service:								
Principal Retirement						19,838		19,838
Interest and Fiscal Charges						2,436		2,436
<i>Total Disbursements</i>	<u>220,932</u>	<u>120,517</u>	<u>71,469</u>	<u>45,445</u>	<u>128,056</u>	<u>24,276</u>	<u>193,265</u>	<u>803,960</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	15,573	(30,107)	9,394	16,835	(18,586)	9,653	(24,124)	(21,362)
<i>Fund Balances Beginning of Year</i>	<u>180,087</u>	<u>91,101</u>	<u>37,241</u>	<u>126,574</u>	<u>135,531</u>	<u>92,335</u>	<u>91,546</u>	<u>754,415</u>
<i>Fund Balances End of Year</i>	<u>\$195,660</u>	<u>\$60,994</u>	<u>\$46,635</u>	<u>\$143,409</u>	<u>\$116,945</u>	<u>\$101,988</u>	<u>\$67,422</u>	<u>\$733,053</u>

See accompanying notes to the basic financial statements

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$76,609	\$65,287	\$88,538	\$23,251
Licenses, Permits and Fees		8,569	8,569	0
Intergovernmental	15,737	23,520	127,409	103,889
Interest	2,769	2,581	5,473	2,892
Miscellaneous	9,230	4,388	6,516	2,128
<i>Total Receipts</i>	104,345	104,345	236,505	132,160
Disbursements				
Current:				
General Government	195,500	189,669	144,165	45,504
Public Works	50,000	30,000	12,867	17,133
Health		21,831	21,831	0
Capital Outlay	40,000	60,000	42,069	17,931
<i>Total Disbursements</i>	285,500	301,500	220,932	80,568
<i>Excess of Receipts Over (Under) Disbursements</i>	(181,155)	(197,155)	15,573	212,728
<i>Fund Balance Beginning of Year</i>	180,087	180,087	180,087	0
<i>Fund Balance End of Year</i>	(\$1,068)	(\$17,068)	\$195,660	\$212,728

See accompanying notes to the basic financial statements

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$50,000	\$52,000	\$85,545	\$33,545
Interest	2,500	2,575	4,865	2,290
<i>Total Receipts</i>	<u>52,500</u>	<u>54,575</u>	<u>90,410</u>	<u>35,835</u>
Disbursements				
Current:				
Public Works	135,000	43,721	21,134	22,587
Capital Outlay	9,000	100,279	99,383	896
<i>Total Disbursements</i>	144,000	144,000	120,517	23,483
<i>Excess of Receipts Over (Under) Disbursements</i>	(91,500)	(89,425)	(30,107)	59,318
<i>Fund Balance Beginning of Year</i>	<u>91,101</u>	<u>91,101</u>	<u>91,101</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$399)</u></u>	<u><u>\$1,676</u></u>	<u><u>\$60,994</u></u>	<u><u>\$59,318</u></u>

See accompanying notes to the basic financial statements

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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$58,000	\$59,750	\$67,858	\$8,108
Intergovernmental	9,000	9,270	13,005	3,735
<i>Total Receipts</i>	67,000	69,020	80,863	11,843
Disbursements				
Current:				
General Government	5,000	3,979		3,979
Public Works	88,400	89,421	66,905	22,516
Capital Outlay	7,500	7,500	4,564	2,936
<i>Total Disbursements</i>	100,900	100,900	71,469	29,431
<i>Excess of Receipts Over (Under) Disbursements</i>	(33,900)	(31,880)	9,394	41,274
<i>Fund Balance Beginning of Year</i>	37,241	37,241	37,241	0
<i>Fund Balance End of Year</i>	\$3,341	\$5,361	\$46,635	\$41,274

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2006

	<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	\$50,837	\$49,562	\$51,766	\$2,204
Intergovernmental	3,669	5,468	9,196	3,728
Miscellaneous	524		1,318	1,318
<i>Total Receipts</i>	<u>55,030</u>	<u>55,030</u>	<u>62,280</u>	<u>7,250</u>
Disbursements				
Current:				
General Government	28,500	17,216		17,216
Public Safety	29,500	40,784	25,964	14,820
Capital Outlay	120,000	120,000	19,481	100,519
Debt Service:				0
Interest and Fiscal Charges	2,000	2,000		2,000
<i>Total Disbursements</i>	<u>180,000</u>	<u>180,000</u>	<u>45,445</u>	<u>134,555</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(124,970)	(124,970)	16,835	141,805
<i>Fund Balance Beginning of Year</i>	<u>126,574</u>	<u>126,574</u>	<u>126,574</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,604</u></u>	<u><u>\$1,604</u></u>	<u><u>\$143,409</u></u>	<u><u>\$141,805</u></u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$89,506	\$81,410	\$88,697	\$7,287
Intergovernmental	13,099	21,195	17,967	(3,228)
Miscellaneous			2,806	2,806
<i>Total Receipts</i>	<u>102,605</u>	<u>102,605</u>	<u>109,470</u>	<u>6,865</u>
Disbursements				
Current:				
General Government	146,000	65,714		65,714
Public Safety	55,000	135,286	111,374	23,912
Capital Outlay	38,000	38,000	16,682	21,318
<i>Total Disbursements</i>	<u>239,000</u>	<u>239,000</u>	<u>128,056</u>	<u>110,944</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(136,395)	(136,395)	(18,586)	117,809
<i>Fund Balance Beginning of Year</i>	<u>135,531</u>	<u>135,531</u>	<u>135,531</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$864)</u></u>	<u><u>(\$864)</u></u>	<u><u>\$116,945</u></u>	<u><u>\$117,809</u></u>

See accompanying notes to the basic financial statements

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$27,273	\$27,500	\$29,011	\$1,511
Intergovernmental	2,727	2,500	4,918	2,418
<i>Total Receipts</i>	<u>30,000</u>	<u>30,000</u>	<u>33,929</u>	<u>3,929</u>
Disbursements				
Current:				
General Government	2,500	498		498
Public Safety	25,000	27,002	2,002	25,000
Capital Outlay	65,000	42,726		42,726
Debt Service:				0
Principal Retirement	22,000	41,838	19,838	22,000
Interest and Fiscal Charges	5,000	7,436	2,436	5,000
<i>Total Disbursements</i>	<u>119,500</u>	<u>119,500</u>	<u>24,276</u>	<u>95,224</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(89,500)	(89,500)	9,653	99,153
<i>Fund Balance Beginning of Year</i>	<u>92,335</u>	<u>92,335</u>	<u>92,335</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,835</u>	<u>\$2,835</u>	<u>\$101,988</u>	<u>\$99,153</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 – Reporting Entity

Nile Township, Scioto County, Ohio (the Township), is a body politic and corporate established 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 three-member Board of Trustees elected at large for four year terms. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

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, cemetery maintenance, park maintenance, fire protection and emergency medical services. Police protection is provided by the Scioto County Sheriff's Department.

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.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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.

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 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, 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 Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Fire Equipment Levy Fund and the Cops Program Fund. 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 Fund is used to account for road work done by the Township. The Road and Bridge Fund is used to account for road work done by the Township.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

The Fire Fund receives property tax money to provide fire protection to residents of the Township. The Ambulance Fund receives property tax money to provide ambulatory services to residents of the Township. The Fire Equipment Levy Fund receives property tax money to purchase fire equipment. The Cops Program Fund receives property tax money to provide police protection to residents of the Township via a contract with the Scioto County Sheriff's Department. The other governmental funds of the Township account for taxes 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.

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 amended certificated of estimated resources in effect at the time final appropriations were passed by the Board of Trustees.

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 Board of Trustees 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.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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 2006 and 2007, the Township did not have any investments.

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 2007 and 2006 were \$16,313 and \$5,473, respectively, and \$3,352 and \$6,689, respectively, was credited to other Township funds.

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 their 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 a 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 Fund, Ambulance Fund, Fire Equipment Levy Fund and Cops Program Fund.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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. A fund balance reserve for encumbrances was utilized by the Township in 2007.

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 funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

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 Fund, Ambulance Fund, Fire Equipment Levy Fund and Cops Program Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The encumbrances outstanding at December 31, 2007 amounted to \$1,694 for the General Fund, \$1,188 for the Road and Bridge Fund and \$1,912 for the Ambulance Fund. All encumbrances were canceled at December 31, 2006.

Note 4 – Deposits

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 Board has 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;

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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;
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) of Ohio Rev. Code Section 135.18 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 (STAROhio).

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 for deposits 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, 2007, the carrying amount of the Township's deposits was \$723,888 and the bank balance was \$729,215. Of the bank balance, \$729,215 was covered by the Federal Depository Insurance Corporation or collateralized. At December 31, 2006, the carrying amount of the Township's deposits was \$733,053 and the bank balance was \$745,548. Of the bank balance, \$745,548 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.

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 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, 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.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2003, were levied after October 1, 2006, 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 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2007 and 2006, 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>2007</u>	<u>2006</u>
Real Property		
Residential/Agriculture	\$33,236,500	\$29,719,480
Public Utility Property	1,084,400	1,289,830
Tangible Personal Property	306,030	163,060
Total Assessed Value	\$34,626,930	\$31,172,370

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

Financial Position

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, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$23,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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.

<u>Contributions to OTARMA</u>	
2005	\$27,329
2006	\$27,536
2007	\$24,065

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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

Note 7 – Defined Benefit Pension Plans

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 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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent. For the year ended December 31, 2006, the members of all three plans were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$24,857, \$22,814, and \$29,024, respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5.00 percent of covered payroll was the portion that was used to fund health care from January 1, 2007 to June 30, 2007. From July 1, 2007 to December 31, 2007, the contribution rate was 6.0%.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 to 8 percent annually for the next eight years and 4 percent annually beyond that.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans in the December 31, 2006 actuarial valuation was 362,130. The actual contributions for 2007 and 2006 which were used to fund postemployment benefits were \$9,890 and \$7,494, respectively. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Note 9 – Debt

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Governmental Activities					
General Obligation Bond:					
2003 Fire Truck	3.70%	\$42,183		\$20,660	\$21,523
Total		\$42,183	\$0	\$20,660	\$21,523

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
Governmental Activities					
General Obligation Bond:					
2003 Fire Truck	3.70%	\$62,021		\$19,838	\$42,183
Total		\$62,021	\$0	\$19,838	\$42,183

The 2003 general obligation bond is to finance the purchase of a fire truck. The Township is scheduled to pay off the bonds in 2008. The bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The bonds are collateralized by the fire truck.

Nile Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

The following is a summary of the Township's future annual debt service requirements:

<u>Governmental Type Activity Debt</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	<u>\$21,523</u>	<u>\$858</u>	<u>\$22,381</u>
Total	<u>\$21,523</u>	<u>\$858</u>	<u>\$22,381</u>

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 net 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 the debt limitations at December 31, 2007 and 2006 respectively were an overall debt margin of \$3,614,304 and \$3,230,915 and an unvoted debt margin of \$1,882,957 and \$1,672,296.

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.

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 four occasions in 2006 and two occasions in 2007. 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>
01/11/06	3131	\$38.00	Quality Heating & Air
05/10/06	3444	328.00	Quality Heating & Air
07/12/06	3560	88.00	Quality Heating & Air
09/13/06	3719	<u>100.00</u>	Quality Heating & Air
	total for 2006	\$554.00	
01/10/07	3985	\$3,878.00	Quality Heating & Air
11/13/07	4606	<u>184.00</u>	Quality Heating & Air
	total for 2007	\$4,062.00	

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Mary Taylor, CPA

Auditor of State

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

Nile Township
Scioto County
P.O. Box 100
Friendship, Ohio 45630

To the Board of Trustees:

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, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 30, 2008, wherein, we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement 34. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-002.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiency described above, we believe finding number 2007-002 is also a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated September 30, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Township'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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 30, 2008.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 30, 2008

NILE TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006

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

Finding Number 2007-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Thirty-six percent (36%) of disbursements tested in 2006 and twenty-seven percent (27%) of disbursements tested in 2007 had invoice dates preceding the encumbrance date. Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances.

**NILE TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 2007-001 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 5705.41(D)(1) (Continued)

Unless the Township uses the exceptions noted above, prior certification is not only required by statute but is also a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certificate language of Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs the commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

Finding Number 2007-002

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements for that required audit adjustment or reclassification:

- * In 2006, \$8,569 in cable franchise fees receipts were posted as Taxes instead of as Licenses, Permits and Fees in the General Fund. In 2007, \$8,374 in cable franchise fees receipts were posted as Intergovernmental Revenue instead of as Licenses, Permits and Fees in the General Fund.
- * In 2007, \$23,022 in estate tax receipts were posted as Taxes instead of Intergovernmental Revenue in the General Fund.
- * In 2006, the FEMA Fire Grant was posted to the Fire Equipment Fund instead of to a FEMA Fire Grant Fund. The receipts and expenditures each totaled \$57,475.
- * In 2006 and 2007, taxes totaling \$62,481 and \$62,648, respectively, were posted entirely as Intergovernmental Revenue in the Cops Program Fund instead of as Taxes.
- * In 2007, interest was allocated to the General Fund, Motor Vehicle License Tax Fund and Gasoline Tax Fund; however, the interest was allocated based on a set percentage to each fund instead of being allocated by percentage of fund balance. This resulted in an audit adjustment to increase the General Fund by \$7,464 and decrease the Motor Vehicle License Tax Fund by \$2,480 and decrease the Gasoline Tax Fund by \$4,984.

**NILE TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 2007-002 (Continued)

Material Weakness (Continued)

- * In 2007, the Community Development Block Grant project activity was not recorded in the Township's books in a Community Development Block Grant Fund as a memo entry for Intergovernmental Revenue in the amount of \$22,125 and Capital Outlay in the amount of \$22,125.
- * In 2006 and 2007, Board of Health expenses deducted from tax settlements totaling \$21,830 and \$24,627, respectively, were posted to the General Fund as General Government expenses instead of Health expenses.
- * In 2007, personal property tax reimbursement monies were posted as Taxes instead of Intergovernmental Revenue in the Road and Bridge Fund (\$1,043), Fire Levy Fund (\$1,743), Ambulance Fund (\$2,600) and Fire Equipment Levy Fund (\$731).
- * In 2006 and 2007, expenditures in the Road and Bridge Fund (\$1,021 and \$482, respectively), Fire Levy Fund (\$11,284 and \$12,289, respectively), Ambulance Fund (\$80,286 and \$90,354, respectively), Fire Equipment Fund (\$2,002 and \$704, respectively) and Cops Grant Fund (\$3,373 and \$1,506, respectively) were posted as General Government instead of Public Works for the Road and Bridge Fund and Public Safety in the remaining funds listed above.
- * In 2006 expenditures totaling \$20,000 in the General Fund and \$91,279 in the Gasoline Tax Fund were posted as Public Works instead of Capital Outlay. In 2007, expenditures totaling \$43,582 in the Gasoline Tax Fund were posted as Public Works instead of Capital Outlay
- * In 2006, principal totaling \$19,838 and interest totaling \$2,436 were misposted as Capital Outlay in the Fire Equipment Fund.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer or Board of Trustees, to identify and correct errors or omissions.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

**NILE TOWNSHIP
SCIOTO COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Rev. Code Section 5705.41 (D)(1), expenditures were not properly encumbered	No	See Finding Number 2007-001



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 6, 2008**