

Nile Township

Scioto County, Ohio

Regular Audit

For the Years Ended December 31, 2005 and 2004

BALESTRA, HARR & SCHERER, CPAs, INC.
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**Auditor of State
Betty Montgomery**

Board of Trustees
Nile Township
P. O. Box 1441
Friendship, Ohio 45630

We have reviewed the *Independent Auditors' Report* of Nile Township, Scioto County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Nile Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

September 6, 2006

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Board of Trustees
Nile Township
Scioto County, Ohio
P.O. Box 1441
Friendship, Ohio 45630

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nile Township, Scioto County, Ohio, (the Township) as of and for the years ended December 31, 2005 and 2004 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 audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

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 basis financial position of the governmental activities, each major fund, and the remaining fund information of Nile Township, Scioto County, Ohio as of December 31, 2005 and 2004, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General and major Special Revenue funds, thereof for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2006, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

Nile Township
Independent Auditors' Report

The Management's Discussion and Analysis on pages 3-8 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.

As discussed further in Note 3, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard (GASB) No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.



Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2006

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

This discussion and analysis of Nile Township's (the Township's) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2005 and 2004, 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.

Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because 2004 is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not available. Subsequent reports will include the comparative information.

Highlights

Key highlights for 2005 and 2004 are as follows:

Net assets of governmental activities decreased \$33,008 or 4.19 percent, in 2005. Net assets of governmental activities increased \$28,493, or 3.75 percent in 2004. The fund most affected by the decrease in cash and cash equivalents in 2005 was the General Fund, which realized a significant increase of expenditures in 2005. The fund most affected by the increase in 2004 was the General Fund, which received a significant amount of timber revenue from the State of Ohio combined with a decrease of expenditures in 2004.

The Township's general receipts are primarily property and other local taxes, and intergovernmental receipts. These receipts represent respectively 58.81, and 50.60 percent of the total cash received for governmental activities during 2005 and 34.43, and 42.88 percent of the total cash received for governmental activities during 2004. Property and other local tax receipts for 2005 increase by 3.54 percent mostly due to increase property values.

Using the Basic Financial Statements

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

Report Components

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

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

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

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
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 2005 and 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at years 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 non-financial 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 taxes and intergovernmental monies.

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

Governmental activities. All of the Township's basic services are reported here. State and federal grants and property and gasoline taxes 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, 2005 and 2004
 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 - All 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. For 2005 the Township's major governmental funds are the General, Gasoline Tax, Road and Bridge, Fire District, Ambulance, Fire Equipment and COPS Funds. For 2004, the Township's major governmental funds are the General Gasoline Tax, Road and Bridge, Fire District and Ambulance Funds. 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 2005 compared to 2004 on a cash basis:

(Table 1)
Net Assets

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Assets		
Cash and Cash		
Equivalents	\$754,415	\$787,129
Total Assets	\$754,415	\$787,129
Net Assets		
Restricted	\$574,328	\$521,155
Unrestricted	\$180,087	\$265,974
Total Net Assets	\$754,415	\$787,129

As mentioned previously, net assets of governmental activities decreased \$33,008 or 4.19 percent during 2005. The primary reasons contributing to the decreases in cash balances are as follows:

- General fund expenditures increased in 2005 primarily due to a paving project.
- General fund revenue decreased in 2005 due to no timber revenue being received as was in 2004.

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

Net assets of governmental activities increased \$28,493 or 3.75 percent during 2004. The Primary reasons contributing to the increase in cash balances are as follows:

- Revenue increased in 2004 primarily due to an unusual and significant amount of timber revenue received from the State of Ohio.

Table 2 reflects the changes in net assets in 2005 and 2004.

(Table 2)

Changes in Net Assets

	Governmental Activities 2005	Governmental Activities 2004
Receipts:		
Program Receipts:		
Charges for Services	\$23,729	\$26,155
Operating Grants and Contributions	147,271	133,569
Total Program Receipts	171,000	159,724
General Receipts:		
Property and Other Local Taxes	390,074	377,040
Grants and Entitlements Not Restricted to Specific Programs	81,143	32,638
Interest	7,056	6,371
Miscellaneous	13,982	16,080
Total General Receipts	492,255	432,129
Special Item- Timber Revenue	0	153,304
Total Receipts	663,255	745,157
Disbursements:		
General Government	227,135	224,387
Public Safety	95,612	91,099
Public Works	272,713	206,885
Health	28,968	29,255
Capital Outlay	49,561	142,764
Debt Service	22,274	22,274
Total Disbursements	696,263	716,664
Increase / (Decrease) in Net Assets	(33,008)	28,493
Net Assets, January 1	787,423	758,930
Net Assets, December 31	\$754,415	\$787,423

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

Program receipts represent 25.78 percent of total receipts in 2005 and 21.44 percent of total receipts in 2004 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 74.22 percent of the Township's total receipts for 2005 and 57.99 percent of the Township's total receipts for 2004, and of this amount, 79.24 percent are local taxes in 2005 and 87.25 percent are local taxes in 2004. Grants and Entitlements not restricted to Specific Programs represents 16.48 percent of general receipts for 2005 and 7.55 percent of general receipts for 2004. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of council, and the Clerk, Fire, EMS, as well as internal services such as payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities on pages 11 and 12, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government and public works, which account for 32.62 and 39.17 percent of all governmental disbursements, respectively in 2005 and 31.31 and 28.87, respectively in 2004. The next column of the Statement entitled Program Cash Receipts identifies 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 mainly 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 2005	Total Cost Of Services 2004	Net Cost of Services 2004	Net Cost of Services 2005
General Government	\$227,135	\$224,387	\$206,179	\$206,088
Public Safety	95,612	91,099	77,718	75,455
Public Works	272,713	206,885	188,393	128,902
Health	28,968	29,255	1,857	5,210
Capital Outlay	49,561	142,764	31,954	122,063
Debt Service	22,274	22,274	19,162	19,222
Total Expenses	\$696,263	\$716,664	\$525,263	\$556,940

Nile Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

The Township's Funds

Total governmental funds had total receipts of \$663,255 and disbursements of \$696,263 in 2005 and receipts of \$745,157 and disbursements of \$716,664 in 2004. The greatest change within governmental funds occurred within the General Fund. In 2005, the fund balance of the General Fund decreased \$85,887 as the result of increased expenditures for a paving project. The fund balance of the General Fund increased by \$133,494 in 2004 as a result of an increase in intergovernmental revenues combined with a decrease in expenditures.

General Fund Budgeting Highlights

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

During the course of calendar years 2005 and 2004 the Township amended its General Fund budget only a couple of times. The Township uses fund budgeting and the budgeting systems are designed to tightly control the total funds' budget.

For 2005, General Fund budget basis actual receipts were \$188,450 and \$286,171 for 2004. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2005 were \$274,337, \$85,887 cash receipts. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2004 were \$152,677, \$133,494 under cash receipts.

Debt

At December 31, 2005, the Township had debt outstanding of \$62,021 for a fire truck. For additional information on debt, see Note 10 to the basic financial statements.

Current Financial Related Activities

Nile Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially the future is not without challenges.

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, Clerk/Treasurer, Nile Township, P.O. Box 100, Friendship, OH 45630 (740) 858-4777.

Nile Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$754,415</u>
<i>Total Assets</i>	<u><u>\$754,415</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$574,328
Unrestricted	<u>180,087</u>
<i>Total Net Assets</i>	<u><u>\$754,415</u></u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$787,423</u>
<i>Total Assets</i>	<u><u>\$787,423</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$521,449
Unrestricted	<u>265,974</u>
<i>Total Net Assets</i>	<u><u>\$787,423</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, 2005

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$227,135	\$4,357	\$16,599	(\$206,179)
Public Safety	95,612	4,174	13,720	(\$77,718)
Public Works	272,713	0	84,320	(\$188,393)
Health	28,968	14,995	12,116	(\$1,857)
Capital Outlay	49,561	203	17,404	(\$31,954)
Debt Service	22,274	0	3,112	(\$19,162)
<i>Total Governmental Activities</i>	\$696,263	23,729	147,271	(\$525,263)
General Receipts				
Property Taxes Levied for:				
				89,808
General Purposes				300,266
Other Purposes				81,143
Grants and Entitlements not Restricted to Specific Programs				7,056
Interest				13,982
Miscellaneous				492,255
<i>Total General Receipts</i>				(\$33,008)
Change in Net Assets				787,423
<i>Net Assets - Beginning of Year</i>				\$754,415
<i>Net Assets - End of Year</i>				

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$224,387	\$6,836	\$11,463	(\$206,088)
Public Safety	91,099	0	15,644	(\$75,455)
Public Works	206,885	1,012	76,971	(\$128,902)
Health	29,255	18,030	6,015	(\$5,210)
Capital Outlay	142,764	277	20,424	(\$122,063)
Debt Service	22,274	0	3,052	(\$19,222)
<i>Total Governmental Activities</i>	716,664	26,155	133,569	(556,940)
General Receipts				
Property Taxes Levied for:				
General Purposes				82,963
Other Purposes				294,077
Grants and Entitlements not Restricted to Specific Programs				32,638
Interest				6,371
Miscellaneous				16,080
<i>Total General Receipts</i>				432,129
Special Item - Timber Revenue				153,304
Total General Receipts and Special Items				585,433
Change in Net Assets				28,493
<i>Net Assets - Beginning of Year</i>				758,930
<i>Net Assets - End of Year</i>				\$787,423

See accompanying notes to the basic financial statements

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Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Gasoline Tax Fund	Road & Bridge Fund	Fire District Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$180,087	\$91,101	\$37,241	\$126,574
<i>Total Assets</i>	<u>\$180,087</u>	<u>\$91,101</u>	<u>\$37,241</u>	<u>\$126,574</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$180,087	\$0	\$0	\$0
Special Revenue Funds	0	91,101	37,241	126,574
<i>Total Fund Balances</i>	<u>\$180,087</u>	<u>\$91,101</u>	<u>\$37,241</u>	<u>\$126,574</u>

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds (Continued)
December 31, 2005

Ambulance Fund	Fire Equipment Fund	COPS Fund	Other Governmental Funds	Total Governmental Funds
\$135,531	\$92,335	\$27,262	\$64,284	\$754,415
<u>\$135,531</u>	<u>\$92,335</u>	<u>\$27,262</u>	<u>\$64,284</u>	<u>\$754,415</u>
\$0	\$0	\$0	\$0	\$180,087
135,531	92,335	27,262	64,284	574,328
<u>\$135,531</u>	<u>\$92,335</u>	<u>\$27,262</u>	<u>\$64,284</u>	<u>\$754,415</u>

Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2004

	General	Gasoline Tax Fund	Road & Bridge Fund
Assets			
Equity in Pooled Cash and Cash Equivalents	\$265,974	\$81,258	\$27,610
<i>Total Assets</i>	\$265,974	\$81,258	\$27,610
Fund Balances			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	\$265,974	\$0	\$0
Special Revenue Funds	0	81,258	27,610
<i>Total Fund Balances</i>	\$265,974	\$81,258	\$27,610

See accompanying notes to the basic financial statements

Nile Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds (Continued)
December 31, 2004

Fire District Fund	Ambulance Fund	Other Governmental Funds	Total Governmental Funds
\$120,871	\$129,901	\$161,809	\$787,423
<u>\$120,871</u>	<u>\$129,901</u>	<u>\$161,809</u>	<u>\$787,423</u>
<u><u>\$120,871</u></u>	<u><u>\$129,901</u></u>	<u><u>\$161,809</u></u>	<u><u>\$787,423</u></u>
\$0	\$0	\$0	\$265,974
120,871	129,901	161,809	521,449
<u>120,871</u>	<u>129,901</u>	<u>161,809</u>	<u>521,449</u>
<u><u>120,871</u></u>	<u><u>129,901</u></u>	<u><u>161,809</u></u>	<u><u>521,449</u></u>

**Nile Township
Scioto County**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>
Cash Receipts:				
Local Taxes	\$ 89,808	\$ -	\$ 68,097	\$ 52,277
Intergovernmental	81,143	72,782	11,919	7,566
Licenses, Permits, and Fees	8,734	-	-	-
Earnings on Investments	3,176	2,822	-	-
Other Revenue	5,589	-	-	23
	<u>188,450</u>	<u>75,604</u>	<u>80,016</u>	<u>59,866</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	136,857	-	589	13,309
Public Safety	-	-	-	14,296
Public Works	131,076	59,888	64,898	-
Health	-	-	-	-
Capital Outlay	6,404	5,873	4,898	4,284
Debt Service				
Principal Retirement	-	-	-	19,261
Interest and Fiscal Charges	-	-	-	3,013
	<u>274,337</u>	<u>65,761</u>	<u>70,385</u>	<u>54,163</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(85,887)</u>	<u>9,843</u>	<u>9,631</u>	<u>5,703</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(85,887)	9,843	9,631	5,703
Fund Cash Balances, January 1	<u>265,974</u>	<u>81,258</u>	<u>27,610</u>	<u>120,871</u>
Fund Cash Balances, December 31	<u>\$ 180,087</u>	<u>\$ 91,101</u>	<u>\$ 37,241</u>	<u>\$ 126,574</u>

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

**Nile Township
Scioto County**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005**

<u>Ambulance</u>	<u>Fire Equipment</u>	<u>COPS</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 89,442	\$29,213	\$61,237	\$ -	\$ 390,074
13,152	4,360	9,944	27,548	228,414
-	-	-	14,995	23,729
-	-	-	1,058	7,056
-	-	-	8,370	13,982
<u>102,594</u>	<u>33,573</u>	<u>71,181</u>	<u>51,971</u>	<u>663,255</u>
74,182	706	1,492	-	227,135
14,725	-	66,591	-	95,612
-	-	-	16,851	272,713
-	-	-	28,968	28,968
8,057	-	-	20,045	49,561
-	-	-	-	19,261
-	-	-	-	3,013
<u>96,964</u>	<u>706</u>	<u>68,083</u>	<u>65,864</u>	<u>696,263</u>
<u>5,630</u>	<u>32,867</u>	<u>3,098</u>	<u>(13,893)</u>	<u>(33,008)</u>
5,630	32,867	3,098	(13,893)	(33,008)
<u>129,901</u>	<u>59,468</u>	<u>24,164</u>	<u>78,177</u>	<u>787,423</u>
<u>\$ 135,531</u>	<u>\$ 92,335</u>	<u>\$ 27,262</u>	<u>\$ 64,284</u>	<u>\$ 754,415</u>

**Nile Township
Scioto County**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Gasoline Tax	Road and Bridge
Cash Receipts:			
Local Taxes	\$ 82,963	\$ -	\$ 59,995
Intergovernmental	32,638	67,226	8,924
Licenses, Permits, and Fees	8,125	-	-
Earnings on Investments	2,867	2,548	-
Other Revenue	6,274	-	-
Total Cash Receipts	132,867	69,774	68,919
Cash Disbursements:			
Current:			
General Government	128,456	-	499
Public Safety	-	-	-
Public Works	19,013	85,298	83,955
Health	-	-	-
Capital Outlay	5,208	3,849	501
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Cash Disbursements	152,677	89,147	84,955
Total Cash Receipts Over/(Under) Cash Disbursements	(19,810)	(19,373)	(16,036)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(19,810)	(19,373)	(16,036)
Special Item:			
Timber Revenue	153,304	-	-
Net Chang in Fund Cash Balances	133,494	(19,373)	(16,036)
Fund Cash Balances, January 1	132,480	100,631	43,646
Fund Cash Balances, December 31	\$ 265,974	\$ 81,258	\$ 27,610

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

**Nile Township
Scioto County**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2004**

Fire District	Ambulance	Other Governmental Funds	Total
\$ 53,286	\$ 90,728	\$ 90,068	\$ 377,040
8,260	23,642	25,517	166,207
-	-	18,030	26,155
-	-	956	6,371
55	196	9,555	16,080
<u>61,601</u>	<u>114,566</u>	<u>144,126</u>	<u>591,853</u>
16,418	78,221	793	224,387
13,837	23,593	53,669	91,099
-	-	18,619	206,885
-	-	29,255	29,255
7,740	103,687	21,779	142,764
18,718	-	-	18,718
3,556	-	-	3,556
<u>60,269</u>	<u>205,501</u>	<u>124,115</u>	<u>716,664</u>
<u>1,332</u>	<u>(90,935)</u>	<u>20,011</u>	<u>(124,811)</u>
1,332	(90,935)	20,011	(124,811)
-	-	-	153,304
1,332	(90,935)	20,011	28,493
<u>119,539</u>	<u>220,836</u>	<u>141,798</u>	<u>758,930</u>
<u>\$ 120,871</u>	<u>\$ 129,901</u>	<u>\$ 161,809</u>	<u>\$ 787,423</u>

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, 2005

	<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	\$83,000	\$83,000	\$89,808	6,808
Intergovernmental	17,050	17,050	81,143	64,093
Licenses, Permits and Fees	0	0	8,734	8,734
Interest	3,000	3,000	3,176	176
Other	10,000	10,000	5,589	(4,411)
<i>Total Receipts</i>	<u>113,050</u>	<u>113,050</u>	<u>188,450</u>	<u>75,400</u>
Disbursements				
Current:				
General Government	172,200	178,200	136,857	41,343
Public Works	152,000	146,000	131,076	14,924
Capital Outlay	20,000	20,000	6,404	13,596
<i>Total Disbursements</i>	<u>344,200</u>	<u>344,200</u>	<u>274,337</u>	<u>69,863</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(231,150)</u>	<u>(231,150)</u>	<u>(85,887)</u>	<u>145,263</u>
<i>Net Change in Fund Balance</i>	(231,150)	(231,150)	(85,887)	145,263
<i>Fund Balance Beginning of Year</i>	<u>265,974</u>	<u>265,974</u>	<u>265,974</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,824</u></u>	<u><u>\$34,824</u></u>	<u><u>\$180,087</u></u>	<u><u>\$145,263</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
Gasoline Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	50,500	50,500	72,782	22,282
Interest	2,500	2,500	2,822	322
<i>Total Receipts</i>	<u>53,000</u>	<u>53,000</u>	<u>75,604</u>	<u>22,604</u>
Disbursements				
Current:				
Public Works	95,000	95,000	59,888	35,112
Capital Outlay	25,000	25,000	5,873	19,127
<i>Total Disbursements</i>	<u>120,000</u>	<u>120,000</u>	<u>65,761</u>	<u>54,239</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(67,000)</u>	<u>(67,000)</u>	<u>9,843</u>	<u>76,843</u>
<i>Net Change in Fund Balance</i>	(67,000)	(67,000)	9,843	76,843
<i>Fund Balance Beginning of Year</i>	<u>81,258</u>	<u>81,258</u>	<u>81,258</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,258</u>	<u>\$14,258</u>	<u>\$91,101</u>	<u>\$76,843</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$58,000	\$58,000	\$68,097	\$10,097
Intergovernmental	9,000	9,000	11,919	2,919
<i>Total Receipts</i>	67,000	67,000	80,016	13,016
Disbursements				
Current:				
General Government	2,000	2,000	589	1,411
Public Works	84,000	84,000	64,898	19,102
Capital Outlay	5,500	5,500	4,898	602
<i>Total Disbursements</i>	91,500	91,500	70,385	21,115
<i>Excess of Receipts Over (Under) Disbursements</i>	(24,500)	(24,500)	9,631	34,131
<i>Net Change in Fund Balance</i>	(24,500)	(24,500)	9,631	34,131
<i>Fund Balance Beginning of Year</i>	27,610	27,610	27,610	0
<i>Fund Balance End of Year</i>	\$3,110	\$3,110	\$37,241	\$34,131

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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$48,500	\$48,500	\$52,277	\$3,777
Intergovernmental	4,000	4,000	7,566	3,566
Other	0	0	23	23
<i>Total Receipts</i>	<u>52,500</u>	<u>52,500</u>	<u>59,866</u>	<u>7,366</u>
Disbursements				
Current:				
General Government	28,500	28,500	13,309	15,191
Public Safety	35,200	35,200	14,296	20,904
Capital Outlay	90,000	90,000	4,284	85,716
Debt Service:				
Principal Retirement	0	0	19,261	(19,261)
Interest and Fiscal Charges	0	0	3,013	(3,013)
<i>Total Disbursements</i>	<u>153,700</u>	<u>153,700</u>	<u>54,163</u>	<u>99,537</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(101,200)</u>	<u>(101,200)</u>	<u>5,703</u>	<u>106,903</u>
<i>Net Change in Fund Balance</i>	(101,200)	(101,200)	5,703	106,903
<i>Fund Balance Beginning of Year</i>	<u>120,871</u>	<u>120,871</u>	<u>120,871</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,671</u></u>	<u><u>\$19,671</u></u>	<u><u>\$126,574</u></u>	<u><u>\$106,903</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
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$82,000	\$82,000	\$89,442	\$7,442
Intergovernmental	12,000	12,000	13,152	1,152
<i>Total Receipts</i>	94,000	94,000	102,594	8,594
Disbursements				
Current:				
General Government	115,700	115,700	74,182	41,518
Public Safety	55,000	55,000	14,725	40,275
Capital Outlay	40,000	40,000	8,057	31,943
<i>Total Disbursements</i>	210,700	210,700	96,964	113,736
<i>Excess of Receipts Over (Under) Disbursements</i>	(116,700)	(116,700)	5,630	122,330
<i>Net Change in Fund Balance</i>	(116,700)	(116,700)	5,630	122,330
<i>Fund Balance Beginning of Year</i>	129,901	129,901	129,901	0
<i>Fund Balance End of Year</i>	\$13,201	\$13,201	\$135,531	\$122,330

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 Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$25,000	\$25,000	\$29,213	\$4,213
Intergovernmental	2500	2,500	4,360	1,860
<i>Total Receipts</i>	<u>27,500</u>	<u>27,500</u>	<u>33,573</u>	<u>6,073</u>
Disbursements				
Current:				
General Government	1,000	1,000	706	294
Public Safety	10,000	10,000	0	10,000
Capital Outlay	20,000	20,000	0	20,000
<i>Total Disbursements</i>	<u>31,000</u>	<u>31,000</u>	<u>706</u>	<u>30,294</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,500)</u>	<u>(3,500)</u>	<u>32,867</u>	<u>36,367</u>
<i>Net Change in Fund Balance</i>	(3,500)	(3,500)	32,867	36,367
<i>Fund Balance Beginning of Year</i>	<u>59,468</u>	<u>59,468</u>	<u>59,468</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$55,968</u>	<u>\$55,968</u>	<u>\$92,335</u>	<u>\$36,367</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 Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$50,000	\$50,000	\$61,237	\$11,237
Intergovernmental	10,000	10,000	9,944	(56)
<i>Total Receipts</i>	<u>60,000</u>	<u>60,000</u>	<u>71,181</u>	<u>11,181</u>
Disbursements				
Current:				
General Government	5,000	5,000	1,492	3,508
Public Safety	70,000	70,000	66,591	3,409
<i>Total Disbursements</i>	<u>75,000</u>	<u>75,000</u>	<u>68,083</u>	<u>6,917</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>3,098</u>	<u>18,098</u>
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	3,098	18,098
<i>Fund Balance Beginning of Year</i>	<u>24,164</u>	<u>24,164</u>	<u>24,164</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,164</u></u>	<u><u>\$9,164</u></u>	<u><u>\$27,262</u></u>	<u><u>\$18,098</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
General Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$83,000	\$83,000	\$82,963	(\$37)
Intergovernmental	11,050	11,050	185,942	174,892
Licenses, Permits and Fees	0	0	8,125	8,125
Interest	3,000	3,000	2,867	(133)
Other	5,000	5,000	6,274	1,274
<i>Total Receipts</i>	<u>102,050</u>	<u>102,050</u>	<u>286,171</u>	<u>184,121</u>
Disbursements				
Current:				
General Government	160,000	167,832	128,456	39,376
Public Works	62,000	51,500	19,013	32,487
Capital Outlay	10,000	15,000	5,208	9,792
<i>Total Disbursements</i>	<u>232,000</u>	<u>234,332</u>	<u>152,677</u>	<u>81,655</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(129,950)</u>	<u>(132,282)</u>	<u>133,494</u>	<u>265,776</u>
<i>Net Change in Fund Balance</i>	(129,950)	(132,282)	133,494	265,776
<i>Fund Balance Beginning of Year</i>	130,148	130,148	130,148	0
Prior Year Encumbrances Appropriated	<u>2,332</u>	<u>2,332</u>	<u>2,332</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,530</u></u>	<u><u>\$198</u></u>	<u><u>\$265,974</u></u>	<u><u>\$265,776</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
Gasoline Tax Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	48,500	48,500	67,226	\$18,726
Interest	1,500	1,500	2,548	1,048
<i>Total Receipts</i>	<u>50,000</u>	<u>50,000</u>	<u>69,774</u>	<u>19,774</u>
Disbursements				
Current:				
Public Works	108,000	108,000	85,298	22,702
Capital Outlay	42,000	42,000	3,849	38,151
<i>Total Disbursements</i>	<u>150,000</u>	<u>150,000</u>	<u>89,147</u>	<u>60,853</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(19,373)</u>	<u>80,627</u>
<i>Net Change in Fund Balance</i>	(100,000)	(100,000)	(19,373)	80,627
<i>Fund Balance Beginning of Year</i>	<u>100,631</u>	<u>100,631</u>	<u>100,631</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$631</u>	<u>\$631</u>	<u>\$81,258</u>	<u>\$80,627</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$56,000	\$56,000	\$59,995	\$3,995
Intergovernmental	4,000	4,000	8,924	4,924
<i>Total Receipts</i>	60,000	60,000	68,919	8,919
Disbursements				
Current:				
General Government	500	2,500	499	2,001
Public Works	97,000	95,296	83,955	11,341
Capital Outlay	5,500	5,500	501	4,999
<i>Total Disbursements</i>	103,000	103,296	84,955	18,341
<i>Excess of Receipts Over (Under) Disbursements</i>	(43,000)	(43,296)	(16,036)	27,260
<i>Net Change in Fund Balance</i>	(43,000)	(43,296)	(16,036)	27,260
<i>Fund Balance Beginning of Year</i>	43,350	43,350	43,350	0
<i>Prior Year Encumbrances Appropriated</i>	296	296	296	0
<i>Fund Balance End of Year</i>	\$646	\$350	\$27,610	\$27,260

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, 2004

	<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	\$48,000	\$48,000	\$53,286	\$5,286
Intergovernmental	3,000	3,000	8,260	5,260
Other	0	0	55	55
<i>Total Receipts</i>	<u>51,000</u>	<u>51,000</u>	<u>61,601</u>	<u>10,601</u>
Disbursements				
Current:				
General Government	22,500	25,859	16,418	9,441
Public Safety	33,500	30,141	13,837	16,304
Capital Outlay	85,000	85,000	7,740	77,260
Debt Service:				
Principal Retirement	25,000	25,000	18,718	6,282
Interest and Fiscal Charges	4,000	4,000	3,556	444
<i>Total Disbursements</i>	<u>170,000</u>	<u>170,000</u>	<u>60,269</u>	<u>109,731</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(119,000)</u>	<u>(119,000)</u>	<u>1,332</u>	<u>120,332</u>
<i>Net Change in Fund Balance</i>	(119,000)	(119,000)	1,332	120,332
<i>Fund Balance Beginning of Year</i>	<u>119,539</u>	<u>119,539</u>	<u>119,539</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$539</u>	<u>\$539</u>	<u>\$120,871</u>	<u>\$120,332</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$82,000	\$82,000	\$90,728	\$8,728
Intergovernmental	13,000	13,000	23,642	10,642
Other	0	0	196	196
<i>Total Receipts</i>	95,000	95,000	114,566	19,370
Disbursements				
Current:				
General Government	109,000	113,502	78,221	35,281
Public Safety	41,000	41,000	23,593	17,407
Capital Outlay	164,000	161,469	103,687	57,782
<i>Total Disbursements</i>	314,000	315,971	205,501	110,470
<i>Excess of Receipts Over (Under) Disbursements</i>	(219,000)	(220,971)	(90,935)	129,840
<i>Net Change in Fund Balance</i>	(219,000)	(220,971)	(90,935)	129,840
<i>Fund Balance Beginning of Year</i>	219,865	219,865	219,865	0
Prior Year Encumbrances Appropriated	971	971	971	0
<i>Fund Balance End of Year</i>	\$1,836	(\$135)	\$129,901	\$129,840

See accompanying notes to the basic financial statements

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

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 publicly elected three-member Board of Trustees. The Township also has an elected Township Clerk.

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, fire protection and ambulance services. The Township utilizes the Nile Volunteer Fire Department for fire protection. 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 had no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This 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 only to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All funds of the Township are governmental funds. The Township has no proprietary or fiduciary 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 for 2005 are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Ambulance Fund, Fire Equipment Fund, and COPS Fund. The Township's major governmental funds for 2004 are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, and Ambulance 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 receives local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

The Road and Bridge Fund receives property tax and local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

The Fire District Fund receives property tax funding to provide fire protection for the residents of the Township.

The Ambulance Fund receives property tax money to provide ambulatory service to residents of the Township.

The Fire Equipment Fund receives property tax money to purchase fire equipment and provide fire protection to residents of the Township.

The COPS Fund receives local government funding to provide police protection for the residents of the Township.

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

C. Basis of Accounting

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

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, except agency 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 Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund level for all funds.

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. 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 Township.

The appropriations ordinance 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 ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash

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.”

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 2005 was \$3,176 and \$3,880 assigned to other Township funds. Interest receipts credited to the General Fund during 2004 was \$2,867 and \$3,504 assigned 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

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described.

I. Employer Contributions to Cost-Sharing Pension Plans

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

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

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 or 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 grants.

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.

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. There were no fund balance reserves as of December 31, 2005 or 2004.

M. Interfund Transactions

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities are eliminated.

N. Special Items

Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The Township's only special item in 2004 was the receipt of a significant amount of timber revenue from the State of Ohio as a result of the ice storm. The Township had no special items in 2005.

Note 3 – Change in Basis of Accounting

The Township has elected to present its financial statement in a format consistent with Governmental Accounting Standards Board (GASB) Statements No. 34, 37 and 38, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" These statements create and amend new basic financial statements and note disclosure for reporting on the Township's financial activities. The financial statements now include government-wide financial statements and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. GASB Statement No. 34 require GAAP reporting, however the Township presented "look alike" statements on the cash basis of accounting.

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 3 – Change in Basis of Accounting (continued)

The Township also implemented Governmental Accounting Standards Board (GASB) Statement No. 40, “Deposit and Investment Risk Disclosures”. GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments. The implementation of GASB Statement No. 40 had no effect on the Township’s financial statements.

Note 4 – Deposits and Investments

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

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

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

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

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

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

Nile Township
 Scioto County, Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004

Note 4 - Deposits and Investments (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

The bank balances as of December 31, 2005 and December 21, 2004 were \$70,565 and \$60,592, respectively. The entire bank balances were covered by Federal Deposit Insurance Corporation (FDIC), and therefore not subject to custodial credit risk.

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

Investments

At December 31, 2005 and 2004, the Township had the following investments:

	Fair Value December 31, 2005	Fair Value December 31, 2004	Weighted Average Maturity (Yrs.)
Repurchase Agreement	\$687,679	\$737,660	0

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have an investment policy.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All of the Township's investments are held in a repurchase agreement.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Township does not have a policy for custodial credit risk. The entire balance of the repurchase agreement is subject to custodial credit risk.

Nile Township
 Scioto County, Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004

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 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, 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 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. 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 year ended December 31, 2005, was \$17.91 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

	2004	2005
Real Property		
Residential/Agriculture	\$24,146,330	\$28,260,180
Commercial/Industrial/Mineral	616,690	691,460
Public Utility Property		
Personal	1,234,520	1,296,770
Tangible Personal Property	748,410	667,300
Total Assessed Value	\$26,745,950	\$30,915,710

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 and 2004 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 which the General Reinsurance Corporation will reinsure.

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plan

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 years ended December 31, 2005 and 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2005 and 2004 was 13.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 7 – Defined Benefit Pension Plan (continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$29,024, \$29,491, and \$23,743 respectively. The full amount has been contributed for 2005, 2004 and 2003.

Note 8 - Postemployment Benefits

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 recipients and primary survivor 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 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Ohio Public Employees Retirement System (continued)

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, 2004, include a rate of return on investments of 8.00 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 .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 and 2004 which were used to fund postemployment benefits were \$12,924 and \$12,243, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 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. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Nile Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 10 – Debt

A summary of the note transactions for the year ended December 31, 2005, follows:

	Interest Rate	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2005
General Obligation Bond	3.70%	\$100,000	0	\$37,979	\$62,021
		\$100,000	0	\$37,979	\$62,021

On January 1, 2003, the Township issued \$100,000 of general obligation bonds to finance the purchase of a pick up truck to be used for road maintenance and fire protection.

All bond proceeds had been spent at December 31, 2005. The bonds are collateralized solely by the Township's taxing authority.

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

Year	G.O. Bonds	
	Principal	Interest
2006	\$19,974	\$2,300
2007	20,713	1,561
2008	21,334	795
Totals	\$62,021	\$4,656

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, 2005, were an overall debt margin of \$2,720,393 and an unvoted debt margin of \$30,916.

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Ohio Society of Certified Public Accountants

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nile Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 30, 2006 wherein we noted the Township prepared its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America and revised its financial presentation to be comparable to the requirements of Governmental Accounting Standard Board Statements No. 34, 37, and 38 and implemented GASB Statement No. 40. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is reportable a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the schedule of findings as item number 2005-001.

We also noted certain matters that we reported to management of the Township in a separate letter dated June 30, 2006.

Nile Township

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

Page 2

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2006

Nile Township
Scioto County, Ohio
Schedule of Findings
For the Years Ended December 31, 2005 and 2004

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

Ohio Revised Code Section 5705.41 (D) States in part that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that reserves the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The Township did not encumber funds for the payments made to the Scioto County Sheriff for police protection. There was no documentation that a “Then and Now” Certificate was used and subsequently approved by the Board of Township Trustees within the aforementioned 30-day time period.

The Township should ensure that no orders involving the expenditure of money be made unless the clerk has issued a purchase order or blanket certificate to certify that purchase.

Client Response:

The Township was not aware that this type of transaction was required to be encumbered. A purchase order will be prepared for the remainder of the 2006 calendar year and annually the commitments will be properly encumbered.



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 19, 2006**