

Nile Township
Scioto County
Regular Audit
For the Years Ended December 31, 2017 and 2016



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Dave Yost • Auditor of State

Board of Trustees
Nile Township
PO Box 100
Friendship, Ohio 45630

We have reviewed the *Independent Auditor's Report* of Nile Township, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2016 through December 31, 2017. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 12, 2018

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Scioto County
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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying cash basis 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, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatements.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2017 and 2016, the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy, and Police Levy Funds thereof for the years then ended, and the budgetary comparison for the Motor Vehicle License Tax Fund for the year end December 31, 2016, in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2018, 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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

May 23, 2018

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(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 year ended December 31, 2017, within the limitations of the Township's cash basis of 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 2017 are as follows:

Net position of governmental activities decreased \$22,633.

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

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2017, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net position 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, including police, fire, streets, parks and emergency management services. Property taxes and related exemptions, gasoline taxes, vehicle registrations, local government revenue assistance, licenses and permits and state and federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money which 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. The Township's major governmental funds are the General, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy, and Police Levy Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2017 compared to 2016:

(Table 1)
Net Position

	Governmental Activities	
	2017	2016
Assets		
Cash and Cash Equivalents	\$575,198	\$597,831
Total Assets	\$575,198	\$597,831
Net Position		
Restricted for:		
Other Purposes	\$506,524	\$536,093
Unrestricted (Deficit)	68,674	61,738
Total Net Position	\$575,198	\$597,831

As mentioned previously, net position of governmental activities decreased \$22,633 during 2017.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 2 reflects the changes in net position in 2017 and the comparison to fiscal year 2016.

(Table 2)
Changes in Net Position

	Governmental Activities 2017	Governmental Activities 2016
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$40,675	\$25,654
Operating Grants and Contributions	104,068	97,502
Total Program Receipts	144,743	123,156
General Receipts:		
Property and Other Local Taxes	501,269	500,192
Grants and Entitlements Not Restricted to Specific Programs	199,107	140,689
Cable Franchise Fees	13,815	18,195
Interest	1,592	1,723
Miscellaneous	26,400	22,467
Sale of Capital Assets	0	6,556
Total General Receipts	742,183	689,822
Total Receipts	886,926	812,978
Disbursements:		
General Government	172,709	159,376
Public Safety	292,685	238,805
Public Works	144,017	186,227
Health	70,825	69,130
Capital Outlay	160,238	90,826
Principal Retirement	41,999	40,683
Interest and Fiscal Charges	27,086	28,570
Total Disbursements	909,559	813,617
Change in Net Position	(22,633)	(639)

Program receipts represent only 16 percent and 15 percent of total receipts in 2017 and 2016 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and charges for cemetery services.

General receipts represent 84 percent and 85 percent of the Township's total receipts in 2017 and 2016, respectively, and of this amount, over 68 percent in 2017 and 73 percent in 2016 are local taxes. Property tax exemptions and entitlements make up the majority of the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

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

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

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next two 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 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 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
General Government	\$172,709	\$165,459	\$159,376	\$159,376
Public Safety	292,685	292,685	238,805	238,805
Public Works	144,017	39,949	186,227	88,725
Health	70,825	37,400	69,130	43,476
Capital Outlay	160,238	160,238	90,826	90,826
Principal Payments	41,999	41,999	40,683	40,683
Interest and Fiscal Charges	27,086	27,086	28,570	28,570
Total Disbursements	\$909,559	\$764,816	\$813,617	\$690,461

The dependence upon property tax receipts is apparent as 84 percent of governmental activities are supported through these and other general receipts for 2017 and 85 percent for 2016.

The Township's Funds

Total governmental funds in 2017 had receipts of \$886,926 and disbursements of \$909,559.

In 2017, General Fund receipts were higher than disbursements by \$6,936 indicating that the General Fund had surplus spending.

General Fund Budgeting Highlights

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

During 2017, the Township amended its General Fund budget due to an increase in expected charges for services.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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

The Township had bonds outstanding at December 31, 2017 in the amount of \$649,387. See Note 9.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. Our prepared financial forecast predicts a surplus for 2018; therefore, the finance committee and the administration will continue to provide the services important to our residents.

Contacting the Township's Financial Management

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

Nile Township
Scioto County
Statement of Net Position - Cash Basis
December 31, 2017

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$575,198</u>
<i>Total Assets</i>	<u>575,198</u>
Net Position	
Restricted for:	
Other Purposes	506,524
Unrestricted	<u>68,674</u>
<i>Total Net Position</i>	<u><u>\$575,198</u></u>

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

Nile Township
Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position	
	Cash	Charges for Services and Sales	Operating Grants and Contributions		Governmental
Governmental Activities					
General Government	\$172,709	\$7,250	\$0	(\$165,459)	
Public Safety	292,685	0	0	(292,685)	
Public Works	144,017	0	104,068	(39,949)	
Health	70,825	33,425	0	(37,400)	
Capital Outlay	160,238	0	0	(160,238)	
Principal Payments	41,999	0	0	(41,999)	
Interst and Fiscal Charges	27,086	0	0	(27,086)	
<i>Total Governmental Activities</i>	<u>\$909,559</u>	<u>\$40,675</u>	<u>\$104,068</u>	<u>(764,816)</u>	
General Receipts					
Property Taxes Levied for:					
General Purposes				110,744	
Other Purposes				390,525	
Grants and Entitlements not Restricted to Specific Programs				199,107	
Cable Franchise Fees				13,815	
Interest				1,592	
Miscellaneous				<u>26,400</u>	
<i>Total General Receipts</i>				<u>742,183</u>	
<i>Change in Net Position</i>				(22,633)	
<i>Net Position Beginning of Year</i>				<u>597,831</u>	
<i>Net Position End of Year</i>				<u><u>\$575,198</u></u>	

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

Nile Township
Scioto County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$68,674	\$110,146	\$41,196	\$44,671	\$79,903	\$68,876	\$137,185	\$24,547	\$575,198
<i>Total Assets</i>	<u>\$68,674</u>	<u>\$110,146</u>	<u>\$41,196</u>	<u>\$44,671</u>	<u>\$79,903</u>	<u>\$68,876</u>	<u>\$137,185</u>	<u>\$24,547</u>	<u>\$575,198</u>
Fund Balances									
Restricted	\$0	\$110,146	\$0	\$44,671	\$79,903	\$68,876	\$137,185	\$24,547	\$465,328
Committed	0	0	41,196	0	0	0	0	0	41,196
Unassigned	68,674	0	0	0	0	0	0	0	68,674
<i>Total Fund Balances</i>	<u>\$68,674</u>	<u>\$110,146</u>	<u>\$41,196</u>	<u>\$44,671</u>	<u>\$79,903</u>	<u>\$68,876</u>	<u>\$137,185</u>	<u>\$24,547</u>	<u>\$575,198</u>

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

Nile Township
Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$110,744	\$0	\$91,810	\$60,897	\$103,972	\$33,730	\$100,116	\$0	\$501,269
Intergovernmental	80,958	93,551	17,112	18,425	54,383	9,801	18,428	10,517	303,175
Charges for Services	7,250	0	0	0	0	0	0	0	7,250
Fines, Licenses and Permits	13,815	0	0	0	0	0	0	33,425	47,240
Earnings on Investments	683	752	0	0	0	0	0	157	1,592
Miscellaneous	18,963	0	0	450	93	0	0	6,894	26,400
<i>Total Receipts</i>	<i>232,413</i>	<i>94,303</i>	<i>108,922</i>	<i>79,772</i>	<i>158,448</i>	<i>43,531</i>	<i>118,544</i>	<i>50,993</i>	<i>886,926</i>
Disbursements									
Current:									
General Government	172,709	0	0	0	0	0	0	0	172,709
Public Safety	0	0	0	22,968	123,397	33,700	112,620	0	292,685
Public Works	0	26,849	105,481	0	0	0	0	11,687	144,017
Health	23,980	0	0	0	0	0	0	46,845	70,825
Capital Outlay	4,608	56,490	24,491	674	47,781	25,394	0	800	160,238
Debt Service:									
Principal Payments	15,000	0	0	26,999	0	0	0	0	41,999
Interest and Fiscal Charges	9,180	0	0	17,906	0	0	0	0	27,086
<i>Total Disbursements</i>	<i>225,477</i>	<i>83,339</i>	<i>129,972</i>	<i>68,547</i>	<i>171,178</i>	<i>59,094</i>	<i>112,620</i>	<i>59,332</i>	<i>909,559</i>
<i>Net Change in Fund Balance</i>	<i>6,936</i>	<i>10,964</i>	<i>(21,050)</i>	<i>11,225</i>	<i>(12,730)</i>	<i>(15,563)</i>	<i>5,924</i>	<i>(8,339)</i>	<i>(22,633)</i>
<i>Fund Balances Beginning of Year</i>	<i>61,738</i>	<i>99,182</i>	<i>62,246</i>	<i>33,446</i>	<i>92,633</i>	<i>84,439</i>	<i>131,261</i>	<i>32,886</i>	<i>597,831</i>
<i>Fund Balances End of Year</i>	<i>\$68,674</i>	<i>\$110,146</i>	<i>\$41,196</i>	<i>\$44,671</i>	<i>\$79,903</i>	<i>\$68,876</i>	<i>\$137,185</i>	<i>\$24,547</i>	<i>\$575,198</i>

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$112,000	\$112,000	\$110,744	(\$1,256)
Intergovernmental	69,100	68,750	80,958	12,208
Charges for Services	0	4,000	7,250	3,250
Fines, Licenses and Permits	13,000	13,000	13,815	815
Earnings on Investments	500	500	683	183
Miscellaneous	6,000	6,000	18,963	12,963
<i>Total Receipts</i>	200,600	204,250	232,413	28,163
Disbursements				
Current:				
General Government	245,967	225,987	172,709	53,278
Health	0	23,980	23,980	0
Capital Outlay	21,000	21,000	4,608	16,392
Debt Service:				
Principal Payment	15,000	15,000	15,000	0
Interest and Fiscal Charges	12,000	12,000	9,180	2,820
<i>Total Disbursements</i>	293,967	297,967	225,477	72,490
<i>Net Change in Fund Balance</i>	(93,367)	(93,717)	6,936	100,653
<i>Unencumbered Fund Balances Beginning of Year</i>	60,271	60,271	60,271	0
<i>Prior Year Encumbrance Appropriated</i>	1,467	1,467	1,467	0
<i>Fund Balances End of Year</i>	(\$31,629)	(\$31,979)	\$68,674	\$100,653

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$80,000	\$82,000	\$93,551	\$11,551
Earnings on Investments	500	500	752	252
<i>Total Receipts</i>	80,500	82,500	94,303	11,803
Disbursements				
Current:				
Public Works	145,000	85,510	26,849	58,661
Capital Outlay	4,000	60,490	56,490	4,000
<i>Total Disbursements</i>	149,000	146,000	83,339	62,661
<i>Net Change in Fund Balance</i>	(68,500)	(63,500)	10,964	74,464
<i>Fund Balances Beginning of Year</i>	99,182	99,182	99,182	0
<i>Fund Balances End of Year</i>	\$30,682	\$35,682	\$110,146	\$74,464

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$100,000	\$99,000	\$91,810	(\$7,190)
Intergovernmental	0	0	17,112	17,112
<i>Total Receipts</i>	<u>100,000</u>	<u>99,000</u>	<u>108,922</u>	<u>9,922</u>
Disbursements				
Current:				
Public Works	150,063	130,063	105,481	24,582
Capital Outlay	10,000	30,000	24,491	5,509
<i>Total Disbursements</i>	<u>160,063</u>	<u>160,063</u>	<u>129,972</u>	<u>30,091</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(60,063)	(61,063)	(21,050)	40,013
<i>Unencumbered Fund Balances Beginning of Year</i>	<u>61,183</u>	<u>61,183</u>	<u>61,183</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>1,063</u>	<u>1,063</u>	<u>1,063</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,183</u></u>	<u><u>\$1,183</u></u>	<u><u>\$41,196</u></u>	<u><u>\$40,013</u></u>

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$66,000	\$65,500	\$60,897	(\$4,603)
Intergovernmental	0	0	18,425	18,425
Miscellaneous	0	0	450	450
<i>Total Receipts</i>	66,000	65,500	79,772	14,272
Disbursements				
Current:				
Public Safety	40,000	40,000	22,968	17,032
Capital Outlay	10,000	10,000	674	9,326
Debt Service:				
Principal Payment	27,000	27,000	26,999	1
Interest and Fiscal Charges	21,000	21,000	17,906	3,094
<i>Total Disbursements</i>	98,000	98,000	68,547	29,453
<i>Net Change in Fund Balance</i>	(32,000)	(32,500)	11,225	43,725
<i>Fund Balances Beginning of Year</i>	33,446	33,446	33,446	0
<i>Fund Balances End of Year</i>	\$1,446	\$946	\$44,671	\$43,725

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$102,000	\$101,500	\$103,972	\$2,472
Intergovernmental	0	33,794	54,383	20,589
Miscellaneous	12,000	12,000	93	(11,907)
<i>Total Receipts</i>	114,000	147,294	158,448	11,154
Disbursements				
Current:				
Public Safety	162,197	162,197	123,397	38,800
Capital Outlay	43,000	76,794	47,781	29,013
<i>Total Disbursements</i>	205,197	238,991	171,178	67,813
<i>Net Change in Fund Balance</i>	(91,197)	(91,697)	(12,730)	78,967
<i>Unencumbered Fund Balances Beginning of Year</i>	91,436	91,436	91,436	0
<i>Prior Year Encumbrance Appropriated</i>	1,197	1,197	1,197	0
<i>Fund Balances End of Year</i>	\$1,436	\$936	\$79,903	\$78,967

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Equipment Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Property and Other Local Taxes	\$37,000	\$37,000	\$33,730	(\$3,270)
Intergovernmental	0	0	9,801	9,801
<i>Total Receipts</i>	37,000	37,000	43,531	6,531
Disbursements				
Current:				
Public Safety	55,000	55,000	33,700	21,300
Capital Outlay	65,000	65,000	25,394	39,606
<i>Total Disbursements</i>	120,000	120,000	59,094	60,906
<i>Net Change in Fund Balance</i>	(83,000)	(83,000)	(15,563)	67,437
<i>Fund Balances Beginning of Year</i>	84,439	84,439	84,439	0
<i>Fund Balances End of Year</i>	\$1,439	\$1,439	\$68,876	\$67,437

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$111,000	\$110,000	\$100,116	(\$9,884)
Intergovernmental	0	0	18,428	18,428
<i>Total Receipts</i>	111,000	110,000	118,544	8,544
Disbursements				
Current:				
Public Safety	239,500	239,500	112,620	126,880
<i>Total Disbursements</i>	239,500	239,500	112,620	126,880
<i>Net Change in Fund Balance</i>	(128,500)	(129,500)	5,924	135,424
<i>Fund Balances Beginning of Year</i>	131,261	131,261	131,261	0
<i>Fund Balances End of Year</i>	\$2,761	\$1,761	\$137,185	\$135,424

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

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

The reporting entity is comprised of the primary government.

A. Primary Government

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

B. Component Units

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

The Township has no component units.

C. Joint Ventures

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

The Township has no joint ventures.

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

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

C. Basis of Accounting

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

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

D. Budgetary Process

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

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

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

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

E. Cash and Cash Equivalents

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

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

During 2017 the Township's only investment was a repurchase agreement.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2017 was \$683 and \$909 was credited to other Township funds.

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

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

J. Long-Term Obligations

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

K. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position 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 expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Committed – Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General Fund report all balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by the Township Trustees or a Township official delegated that authority by resolution, or by State statute.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. The Township had no interfund transactions for the years ending December 31, 2017.

Note 3 – Budgetary Basis of Accounting

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

Note 4 – Deposits and Investments

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

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

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments (Continued)

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2017, the carrying amount of the Township's deposits was \$234,365 and the bank balance was \$250,000. The entire bank balance was covered by the Federal Depository Insurance Corporation.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments (Continued)

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 the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The Township's financial institution is in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained its own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of December 31, 2017, the Township had invested \$340,833 in repurchase agreements which mature daily.

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

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

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

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

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located in the Township. Real property tax receipts received during 2017 represent the collection of 2016 taxes. 2017 real property taxes received levied after October 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018. Real property taxes are payable annually or semi-annually. 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 personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2017 was 18.31 mills. The assessed values of real property and public utility property upon which property tax receipts were based are as follows:

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 5 – Property Taxes (Continued)

	2017
Real Property	
Residential /Agriculture	\$40,332,160
Public Utility Property	2,354,440
Total Assessed Values	\$42,686,600

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and to 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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

	2017
Assets	\$40,010,732
Liabilities	(8,675,465)
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township’s share of these unpaid claims collectible in future years is approximately \$13,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

**Nile Township
Scioto County**
*Notes to the Basic Financial Statements
For the Year Ended December 31, 2017*

Note 6 – Risk Management (Continued)

2017 Contributions to OTARMA

\$29,343

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Defined Benefit Pension Plan (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township’s contractually required contribution was \$43,962 for year 2017.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

A. Plan Description

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Note 8 - Postemployment Benefits (Continued)

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 8 - Postemployment Benefits (Continued)

C. The employer contributions that were used to fund post-employment benefits were \$3,382 for 2017, \$6,175 for 2016, and \$1,737 for 2015.

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2017, was as follows:

Governmental Activities	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
General Obligation Bond:						
2010 Fire Station Construction Bonds	3.8%	\$621,222	\$0	\$37,835	\$583,387	\$39,273
2012 Fire Station construction Bonds	3.0%	71,500	0	5,500	66,000	5,500
Total		\$692,722	\$0	\$43,335	\$649,387	\$44,773

The 2010 fire station construction bonds were issued for the purpose of constructing a new fire station. The bonds carry an interest rate of 3.8% and a term of 20 years. These bonds are general obligations bonds that are secured by the full faith and credit of the Township.

The 2012 fire station construction bonds were issued for the purpose of supplementing construction of the new fire station. The bonds carry an interest rate of 3.0% and a term of 17 years. These bonds are general obligation bonds that are secured by the full faith and credit of the Township.

These bonds are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption on December 1 in the year and in the respective principal amount as follows:

2018	\$44,773
2019	46,266
2020	47,815
2021	49,423
2022	51,092
2023	52,824
2024	54,622
2025	56,489
2026	58,427
2027	60,438
2028	62,526
2029	64,692

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

Principal and interest requirements on the Township’s outstanding debt are as follows:

For the Year Ended December 31:	Principal	Interest	Total
2018	\$44,773	\$24,149	\$68,922
2019	46,266	22,491	68,757
2020	47,815	20,777	68,592
2021	49,423	19,004	68,427
2022	51,092	17,170	68,262
2023-2027	282,800	56,034	338,834
2028-2029	127,218	7,161	134,379
Total	\$649,387	\$166,786	\$816,173

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of debt limitations at December 31, 2017 were an overall debt margin of \$4,145,777 and an unvoted debt margin of \$2,171,597.

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 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below as of December 31, 2017:

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 11 – Fund Balances (Continued)

Fund Balances	General	Gasoline Tax	Road and Bridge	Fire Levy	Ambulance Levy	Fire Equipment Levy	Police Levy	Other Governmental Funds	Total
<i>Restricted:</i>									
Road and Bridge	\$0	\$110,146	\$0	\$44,671	\$0	\$0	\$0	\$18,473	\$173,290
Emergency Protection	0	0	0	0	79,903	68,876	137,185	0	285,964
Cemetery	0	0	0	0	0	0	0	6,074	6,074
Total	0	110,146	0	44,671	79,903	68,876	137,185	24,547	465,328
<i>Committed:</i>									
Road and Bridge	0	0	41,196	0	0	0	0	0	41,196
<i>Unassigned:</i>	68,674	0	0	0	0	0	0	0	68,674
Total	\$68,674	\$110,146	\$41,196	\$44,671	\$79,903	\$68,876	\$137,185	\$24,547	\$575,198

Note 12 - Compliance

The Township had appropriations in excess of estimate resources for the General Fund which is contrary to Ohio Revised Code Section 5705.39

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(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 year ended December 31, 2016, within the limitations of the Township's cash basis of 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 2016 are as follows:

Net position of governmental activities decreased \$639.

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

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2016, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net position 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, including police, fire, streets, parks and emergency management services. Property taxes and related exemptions, gasoline taxes, vehicle registrations, local government revenue assistance, licenses and permits and state and federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money which 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. The Township's major governmental funds are the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy, and Police Levy Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2016 compared to 2015:

(Table 1)
Net Position

	Governmental Activities	
	2016	2015
Assets		
Cash and Cash Equivalents	\$597,831	\$598,470
Total Assets	\$597,831	\$598,470
Net Position		
Restricted for:		
Other Purposes	\$536,093	\$498,765
Unrestricted (Deficit)	61,738	99,705
Total Net Position	\$597,831	\$598,470

As mentioned previously, net position of governmental activities decreased \$639 during 2016.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 2 reflects the changes in net position in 2016 and the comparison to fiscal year 2015.

(Table 2)
Changes in Net Position

	Governmental Activities 2016	Governmental Activities 2015
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$25,654	\$30,540
Operating Grants and Contributions	97,502	104,431
Total Program Receipts	<u>123,156</u>	<u>134,971</u>
General Receipts:		
Property and Other Local Taxes	500,192	472,180
Grants and Entitlements Not Restricted to Specific Programs	140,689	172,313
Cable Franchise Fees	18,195	13,377
Interest	1,723	1,409
Miscellaneous	22,467	17,323
Sale of Capital Assets	6,556	0
Total General Receipts	<u>689,822</u>	<u>676,602</u>
Total Receipts	<u>812,978</u>	<u>811,573</u>
Disbursements:		
General Government	159,376	254,253
Public Safety	238,805	134,501
Public Works	186,227	131,614
Health	69,130	73,267
Capital Outlay	90,826	106,512
Principal Retirement	40,683	40,616
Interest and Fiscal Charges	28,570	28,801
Total Disbursements	<u>813,617</u>	<u>769,564</u>
Change in Net Position	(639)	42,009

Program receipts represent only 15 percent and 17 percent of total receipts in 2016 and 2015, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and charges for cemetery services.

General receipts represent 85 percent and 83 percent of the Township's total receipts in 2016 and 2015, respectively, and of this amount, 73 percent in 2016 and 70 percent in 2015 are local taxes. Property tax exemptions and entitlements make up the majority of the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

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

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

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next two 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 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 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
General Government	\$159,376	\$159,376	\$254,253	\$254,253
Public Safety	238,805	238,805	134,501	134,501
Public Works	186,227	88,725	131,614	27,183
Health	69,130	43,476	73,267	42,727
Capital Outlay	90,826	90,826	106,512	106,512
Principal Payments	40,683	40,683	40,616	40,616
Interest and Fiscal Charges	28,570	28,570	28,801	28,801
Total Disbursements	\$813,617	\$690,461	\$769,564	\$634,593

The dependence upon property tax receipts is apparent as 85 percent of governmental activities are supported through these and other general receipts for 2016 and 82 percent for 2015.

The Township's Funds

Total governmental funds in 2016 had receipts and other financing sources of \$812,978 and disbursements of \$813,617.

In 2016, General Fund receipts were lower than disbursements by \$37,967 indicating that the General Fund had deficit spending. However, because of funds carried forward from 2015, the General Fund still has a surplus fund balance.

General Fund Budgeting Highlights

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

During 2016, the Township did amend its General Fund budget.

Nile Township
Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

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

The Township had bonds outstanding at December 31, 2016 in the amount of \$692,722. See Note 9.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. Our prepared financial forecast predicts a surplus for 2017; therefore, the finance committee and the administration will continue to provide the services important to our residents.

Contacting the Township's Financial Management

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

Nile Township
Scioto County
Statement of Net Position - Cash Basis
December 31, 2016

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$597,831
<i>Total Assets</i>	<u>597,831</u>
Net Position	
Restricted for:	
Other Purposes	536,093
Unrestricted	61,738
<i>Total Net Position</i>	<u><u>\$597,831</u></u>

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

Nile Township
Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash	Charges for Services and Sales	Operating Grants and Contributions	Governmental
	Disbursements			Activities
Governmental Activities				
General Government	\$159,376	\$0	\$0	(\$159,376)
Public Safety	238,805	0	0	(238,805)
Public Works	186,227	0	97,502	(88,725)
Health	69,130	25,654	0	(43,476)
Capital Outlay	90,826	0	0	(90,826)
Principal Payments	40,683	0	0	(40,683)
Interest and Fiscal Charges	28,570	0	0	(28,570)
<i>Total Governmental Activities</i>	<u>\$813,617</u>	<u>\$25,654</u>	<u>\$97,502</u>	<u>(690,461)</u>
General Receipts				
Property Taxes Levied for:				
				112,807
				387,385
				140,689
				18,195
				1,723
				22,467
				<u>6,556</u>
<i>Total General Receipts</i>				<u>689,822</u>
<i>Change in Net Position</i>				(639)
<i>Net Position Beginning of Year</i>				<u>598,470</u>
<i>Net Position End of Year</i>				<u><u>\$597,831</u></u>

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

Nile Township
Scioto County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2016

	General Fund	Motor Vehicle License Tax	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Police Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets										
Equity in Pooled Cash and Cash Equivalents	\$61,738	20,286	\$99,182	\$62,246	\$33,446	\$92,633	\$84,439	\$131,261	\$12,600	\$597,831
<i>Total Assets</i>	<u>\$61,738</u>	<u>\$20,286</u>	<u>\$99,182</u>	<u>\$62,246</u>	<u>\$33,446</u>	<u>\$92,633</u>	<u>\$84,439</u>	<u>\$131,261</u>	<u>\$12,600</u>	<u>\$597,831</u>
Fund Balances										
Restricted	\$0	\$20,286	\$99,182	\$0	\$33,446	\$92,633	\$84,439	\$131,261	\$12,600	\$473,847
Committed	0	0	0	62,246	0	0	0	0	0	62,246
Assigned	61,738	0	0	0	0	0	0	0	0	61,738
<i>Total Fund Balances</i>	<u>\$61,738</u>	<u>\$20,286</u>	<u>\$99,182</u>	<u>\$62,246</u>	<u>\$33,446</u>	<u>\$92,633</u>	<u>\$84,439</u>	<u>\$131,261</u>	<u>\$12,600</u>	<u>\$597,831</u>

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

Nile Township
Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Motor Vehicle License Tax	Gasoline Tax Fund	Road and Bridge Fund	Fire Levy Fund	Ambulance Levy Fund	Fire Equipment Levy Fund	Policy Levy Fund	Other Governmental Funds	Totals Governmental Funds
Receipts										
Property and Other Local Taxes	\$112,807	\$0	\$0	\$89,794	\$60,719	\$103,579	\$33,694	\$99,599	\$0	\$500,192
Intergovernmental	62,495	10,635	86,867	21,011	11,438	18,770	8,693	18,282	0	238,191
Fines, Licenses and Permits	18,195	0	0	0	0	0	0	0	25,654	43,849
Earnings on Investments	793	161	769	0	0	0	0	0	0	1,723
Miscellaneous	9,127	0	0	0	939	0	991	0	11,410	22,467
<i>Total Receipts</i>	203,417	10,796	87,636	110,805	73,096	122,349	43,378	117,881	37,064	806,422
Disbursements										
Current:										
General Government	159,376	0	0	0	0	0	0	0	0	159,376
Public Safety	0	0	0	0	16,212	98,850	15,979	107,764	0	238,805
Public Works	0	7,164	75,130	103,933	0	0	0	0	0	186,227
Health	25,852	0	0	0	0	0	0	0	43,278	69,130
Capital Outlay	33,167	0	0	20,967	2,415	27,249	7,028	0	0	90,826
Debt Service:										
Principal Payments	14,683	0	0	0	26,000	0	0	0	0	40,683
Interest and Fiscal Charges	9,556	0	0	0	19,014	0	0	0	0	28,570
<i>Total Disbursements</i>	242,634	7,164	75,130	124,900	63,641	126,099	23,007	107,764	43,278	813,617
<i>Excess of Receipts Over (Under) Disbursements</i>	(39,217)	3,632	12,506	(14,095)	9,455	(3,750)	20,371	10,117	(6,214)	(7,195)
Other Financing Sources										
Sale of Capital Assets	1,250	0	0	5,306	0	0	0	0	0	6,556
<i>Total Other Financing Sources</i>	1,250	0	0	5,306	0	0	0	0	0	6,556
<i>Net Change in Fund Balance</i>	(37,967)	3,632	12,506	(8,789)	9,455	(3,750)	20,371	10,117	(6,214)	(639)
<i>Fund Balances Beginning of Year</i>	99,705	16,654	86,676	71,035	23,991	96,383	64,068	121,144	18,814	598,470
<i>Fund Balances End of Year</i>	\$61,738	\$20,286	\$99,182	\$62,246	\$33,446	\$92,633	\$84,439	\$131,261	\$12,600	\$597,831

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Property and Other Local Taxes	\$112,807	\$112,807	\$112,807	\$0
Intergovernmental	58,981	58,981	62,495	3,514
Fines, Licenses and Permits	13,000	13,000	18,195	5,195
Earnings on Investments	500	500	793	293
Miscellaneous	6,500	6,500	9,127	2,627
<i>Total Receipts</i>	191,788	191,788	203,417	11,629
Disbursements				
Current:				
General Government	253,000	224,058	160,843	63,215
Health	0	25,852	25,852	0
Capital Outlay	10,000	41,690	33,167	8,523
Debt Service:				
Principal Payment	15,000	15,000	14,683	317
Interest and Fiscal Charges	12,000	12,000	9,556	2,444
<i>Total Disbursements</i>	290,000	318,600	244,101	74,499
<i>Excess of Receipts Under Disbursements</i>	(98,212)	(126,812)	(40,684)	86,128
Other Financing Sources:				
Sale of Capital Assets	0	0	1,250	1,250
<i>Total Other Financing Sources:</i>	0	0	1,250	1,250
<i>Net Change in Fund Balance</i>	(98,212)	(126,812)	(39,434)	87,378
<i>Fund Balances Beginning of Year</i>	99,705	99,705	99,705	0
<i>Fund Balances End of Year</i>	\$1,493	(\$27,107)	\$60,271	\$87,378

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Motor Vehicle License Tax
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$9,500	\$9,500	\$10,635	\$1,135
Earnings on Investments	150	150	161	11
<i>Total Receipts</i>	9,650	9,650	10,796	1,146
Disbursements				
Current:				
Public Works	22,000	22,000	7,164	14,836
Capital Outlay	4,000	4,000	0	4,000
<i>Total Disbursements</i>	26,000	26,000	7,164	18,836
<i>Net Change in Fund Balance</i>	(16,350)	(16,350)	3,632	19,982
<i>Fund Balances Beginning of Year</i>	16,654	16,654	16,654	0
<i>Fund Balances End of Year</i>	\$304	\$304	\$20,286	\$19,982

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Intergovernmental	\$84,750	\$84,750	\$86,867	\$2,117
Earnings on Investments	500	500	769	269
<i>Total Receipts</i>	85,250	85,250	87,636	2,386
Disbursements				
Current:				
Public Works	165,000	138,310	75,130	63,180
Capital Outlay	5,000	0	0	0
<i>Total Disbursements</i>	170,000	138,310	75,130	63,180
<i>Net Change in Fund Balance</i>	(84,750)	(53,060)	12,506	65,566
<i>Fund Balances Beginning of Year</i>	86,676	86,676	86,676	0
<i>Fund Balances End of Year</i>	\$1,926	\$33,616	\$99,182	\$65,566

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$97,000	\$97,000	\$89,794	(\$7,206)
Intergovernmental	500	500	21,011	20,511
<i>Total Receipts</i>	<u>97,500</u>	<u>97,500</u>	<u>110,805</u>	<u>13,305</u>
Disbursements				
Current:				
Public Works	140,500	141,200	104,996	36,204
Capital Outlay	25,000	25,000	20,967	4,033
<i>Total Disbursements</i>	<u>165,500</u>	<u>166,200</u>	<u>125,963</u>	<u>40,237</u>
<i>Excess of Receipts Under Disbursements</i>	(68,000)	(68,700)	(15,158)	53,542
Other Financing Sources				
Sale of Capital Assets	0	0	5,306	5,306
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>5,306</u>	<u>5,306</u>
<i>Net Change in Fund Balance</i>	(68,000)	(68,700)	(9,852)	58,848
<i>Fund Balances Beginning of Year</i>	<u>71,035</u>	<u>71,035</u>	<u>71,035</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$3,035</u>	<u>\$2,335</u>	<u>\$61,183</u>	<u>\$58,848</u>

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$62,500	\$62,500	\$60,719	(\$1,781)
Intergovernmental	1,000	1,000	11,438	10,438
Miscellaneous	0	0	939	939
<i>Total Receipts</i>	63,500	63,500	73,096	9,596
Disbursements				
Current:				
Public Safety	33,750	34,251	16,212	18,039
Capital Outlay	5,000	5,000	2,415	2,585
Debt Service:				
Principal Payment	26,000	26,000	26,000	0
Interest and Fiscal Charges	20,000	20,000	19,014	986
<i>Total Disbursements</i>	84,750	85,251	63,641	21,610
<i>Net Change in Fund Balance</i>	(21,250)	(21,751)	9,455	31,206
<i>Fund Balances Beginning of Year</i>	23,991	23,991	23,991	0
<i>Fund Balances End of Year</i>	\$2,741	\$2,240	\$33,446	\$31,206

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Levy Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$106,500	\$106,500	\$103,579	(\$2,921)
Intergovernmental	1,000	1,000	18,770	17,770
<i>Total Receipts</i>	107,500	107,500	122,349	14,849
Disbursements				
Current:				
Public Safety	176,000	168,139	100,047	68,092
Capital Outlay	25,000	33,702	27,249	6,453
<i>Total Disbursements</i>	201,000	201,841	127,296	74,545
<i>Net Change in Fund Balance</i>	(93,500)	(94,341)	(4,947)	89,394
<i>Fund Balances Beginning of Year</i>	96,383	96,383	96,383	0
<i>Fund Balances End of Year</i>	\$2,883	\$2,042	\$91,436	\$89,394

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Equipment Levy Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Property and Other Local Taxes	\$34,500	\$34,500	\$33,694	(\$806)
Intergovernmental	500	500	8,693	8,193
Miscellaneous	0	0	991	991
<i>Total Receipts</i>	35,000	35,000	43,378	8,378
Disbursements				
Current:				
Public Safety	34,000	34,271	15,979	18,292
Capital Outlay	63,000	63,000	7,028	55,972
<i>Total Disbursements</i>	97,000	97,271	23,007	74,264
<i>Net Change in Fund Balance</i>	(62,000)	(62,271)	20,371	82,642
<i>Fund Balances Beginning of Year</i>	64,068	64,068	64,068	0
<i>Fund Balances End of Year</i>	\$2,068	\$1,797	\$84,439	\$82,642

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

Nile Township
Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Levy Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$107,000	\$107,000	\$99,599	(\$7,401)
Intergovernmental	0	0	18,282	18,282
<i>Total Receipts</i>	107,000	107,000	117,881	10,881
Disbursements				
Current:				
Public Safety	220,000	220,777	107,764	113,013
<i>Total Disbursements</i>	220,000	220,777	107,764	113,013
<i>Net Change in Fund Balance</i>	(113,000)	(113,777)	10,117	123,894
<i>Fund Balances Beginning of Year</i>	121,144	121,144	121,144	0
<i>Fund Balances End of Year</i>	\$8,144	\$7,367	\$131,261	\$123,894

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

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

The reporting entity is comprised of the primary government.

A. Primary Government

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

B. Component Units

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

The Township has no component units.

C. Joint Ventures

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

The Township has no joint ventures.

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

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Fire Levy, Ambulance Levy, Fire Equipment Levy, and Police Levy Funds. 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 Motor Vehicle License Tax, Gasoline Tax, and Road and Bridge Funds are used for the purpose of road and bridge maintenance in the Township. The Fire Levy and Ambulance Levy Funds are used to run Fire and EMS services in the Township. The Fire Equipment Levy Fund was established to supplement the original fire levy with the purchase of fire equipment. The Police Levy Fund provides a Scioto County Sheriff Deputy to the Township forty hours per week.

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

C. Basis of Accounting

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

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

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

D. Budgetary Process

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

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

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

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

E. Cash and Cash Equivalents

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

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

During 2016 the Township's only investment was a repurchase agreement.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2016 was \$793 and \$930 was credited to other Township funds.

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

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

J. Long-Term Obligations

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

K. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position 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 expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

Committed – Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General Fund report all balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by the Township Trustees or a Township official delegated that authority by resolution, or by State statute.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. The Township had no interfund transactions for the years ending December 31, 2016.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Levy Fund, Ambulance Levy Fund, Fire Equipment Levy Fund and Police Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The following are the funds and respective outstanding encumbrances at year end: General Fund \$1,467, Road and Bridge Fund \$1,063, and Ambulance Levy Fund \$1,197.

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.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 4 – Deposits and Investments (Continued)

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2016, the carrying amount of the Township's deposits was \$249,573 and the bank balance was \$250,000. The entire bank balance was covered by the Federal Depository Insurance Corporation.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 4 – Deposits and Investments (Continued)

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

Investments

As of December 31, 2016, the Township had invested \$348,258 in repurchase agreements which mature daily.

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

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

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

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

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located in the Township. Real property tax receipts received during 2016 represent the collection of 2015 taxes. 2016 real property taxes received levied after October 1, 2016, on the assessed values as of January 1, 2016, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017. Real property taxes are payable annually or semi-annually. 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 personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2016 was 18.31 mills. The assessed values of real property and public utility property upon which property tax receipts were based are as follows:

	<u>2016</u>
Real Property	
Residential /Agriculture	\$39,624,870
Public Utility Property	2,368,980
Total Assessed Values	<u>\$41,993,850</u>

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and to 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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	<u>2016</u>
Assets	\$38,473,283
Liabilities	<u>(8,244,140)</u>
Net Position	<u>\$30,229,143</u>

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township’s share of these unpaid claims collectible in future years is approximately \$13,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

<u>2016</u>
\$29,892

**Nile Township
Scioto County**
*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

Note 6 – Risk Management (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 7 – Defined Benefit Pension Plan – (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township’s contractually required contribution was \$37,053 for year 2016.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

A. Plan Description

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

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 8 - Postemployment Benefits (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

- C. The employer contributions that were used to fund post-employment benefits were \$6,175 for 2016, \$1,737 for 2015, and \$1,633 for 2014.

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2016, was as follows:

Governmental Activities	Interest Rate	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Due Within One Year
General Obligation Bond:						
2010 Fire Station Construction Bonds	3.8%	\$657,672	\$0	\$36,450	\$621,222	\$37,835
2012 Fire Station construction Bonds	3.0%	77,000	0	5,500	71,500	5,500
Total		\$734,672	\$0	\$41,950	\$692,722	\$43,335

The 2010 fire station construction bonds were issued for the purpose of constructing a new fire station. The bonds carry an interest rate of 3.8% and a term of 20 years. These bonds are general obligations bonds that are secured by the full faith and credit of the Township.

The 2012 fire station construction bonds were issued for the purpose of supplementing construction of the new fire station. The bonds carry an interest rate of 3.0% and a term of 17 years. These bonds are general obligation bonds that are secured by the full faith and credit of the Township.

These bonds are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption on December 1 in the year and in the respective principal amount as follows:

2017	\$43,335
2018	44,773
2019	46,266
2020	47,815
2021	49,423
2022	51,092
2023	52,824
2024	54,622
2025	56,489
2026	58,427
2027	60,438
2028	62,526
2029	64,692

Principal and interest requirements on the Township’s outstanding debt are as follows:

For the Year Ended December 31:	Principal	Interest	Total
2017	\$43,335	\$25,751	\$69,086
2018	44,773	24,149	68,922
2019	46,266	22,491	68,757
2020	47,815	20,777	68,592
2021	49,423	19,004	68,427
2022-2026	273,454	66,205	339,659
2027-2029	187,656	14,160	201,816
Total	\$692,722	\$192,537	\$885,259

Nile Township
Scioto County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 9 – Debt (Continued)

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of debt limitations at December 31, 2016 were an overall debt margin of \$4,059,454 and an unvoted debt margin of \$2,126,381.

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 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below as of December 31, 2016:

Fund Balances	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Fire Levy	Ambulance Levy	Fire Equipment Levy	Police Levy	Other Governmental Funds	Total
<i>Restricted:</i>										
Road and Bridge	\$0	\$20,286	\$99,182	\$0	\$0	\$0	\$0	\$0	0	\$119,468
Emergency Protection	0	0	0	0	33,446	92,633	84,439	131,261	0	341,779
Cemetery	0	0	0	0	0	0	0	0	12,600	12,600
Total	0	20,286	99,182	0	33,446	92,633	84,439	131,261	12,600	473,847
<i>Assigned</i>										
Future Periods	61,738	0	0	0	0	0	0	0	0	61,738
<i>Committed:</i>										
Road and Bridge	0	0	0	62,246	0	0	0	0	0	62,246
Total	\$61,738	\$20,286	\$99,182	\$62,246	\$33,446	\$92,633	\$84,439	\$131,261	\$12,600	\$597,831

Note 12 – Compliance

The Township had appropriations in excess of estimate resources for the General Fund which is contrary to Ohio Revised Code Section 5705.39.

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*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 23, 2018, wherein we noted the Township follows the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as findings 2017-001 and 2017-002 that we consider to be material weaknesses.

Nile Township
Scioto County

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

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or an other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 2017-003.

Township's Responses to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Township's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

May 23, 2018

**Nile Township
Scioto County**
*Schedule of Findings and Responses
For the Years Ended December 31, 2017 and 2016*

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

FINDING NUMBER 2017-001

Material Weakness – Financial Reporting

A monitoring system by the Township should be in place to prevent or detect material misstatements for the accurate presentation of the Township's financial statements. The Township misclassified various receipts and disbursements during the audit and, in certain instances, recorded such items in incorrect funds. There were also various errors in the management's discussion and analysis (MD&A) and the note disclosures for 2016 and 2017. These financial statements have been adjusted to correct material errors. The Township should implement monitoring procedures, including exploring consulting services, to ensure financial activity is properly recorded and presented in the annual financial statements, MD&A, and note disclosures.

Client Response:

The Township will monitor receipts and disbursements to see they are properly recorded. The Township will use a consultant for financial statements.

FINDING NUMBER 2017-002

Material Weakness – Budgetary Information Within UAN and Errors in Budgetary Documents

Accurate budgetary information within the Township's accounting system is pertinent to ensure that the Township has accurate and complete information for decision-making processes. Instances were identified in both years of the audit period where budgetary allocations recorded within UAN were not in agreement with the Board-approved documents. We also noted that the 2016 amended certificate of estimated resources was not adjusted to reflect audit corrections to beginning balances. The Township should review budgeting and accounting processes and implement the appropriate steps to ensure that budgeted information within the accounting system is in agreement with formal approved documents and that cash balances with certificates of estimated resources reflect the proper balances, including audit adjustments where applicable.

Client Response:

Fiscal officer will monitor estimated resources to ensure UAN and County agree.

FINDING NUMBER 2017-003

Material Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. During the course of testing it was noted the General Fund had appropriations in excess of estimated resources for 2016 and 2017, resulting in noncompliance with the Ohio Revised Code. We recommend the Township implement additional procedures to ensure compliance with the Ohio Revised Code.

Client Response:

Fiscal officer will ensure appropriations do not exceed estimated resources.

Nile Township
Scioto County
Schedule of Prior Audit Findings
For the Years Ended December 31, 2017 and 2016

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2015-001	Material weakness – Financial Reporting	No	Reissued as Finding Number 2017-001
2015-002	Material weakness - Budgetary Information with UAN	No	Reissued as Finding Number 2017-002
2015-003	Noncompliance – Expenditures in Excess of Appropriations	Yes	



Dave Yost • 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
JUNE 26, 2018**