



**Auditor of State  
Betty Montgomery**



**WEST CHESTER TOWNSHIP  
BUTLER COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report..... (Under Separate Cover)	
Comprehensive Annual Financial Report ..... (Under Separate Cover)	
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	1
Schedule of Prior Audit Findings.....	3

**This page intentionally left blank.**



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

West Chester Township  
Butler County  
9100 Centre Pointe Drive  
West Chester, Ohio 45069

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of West Chester Township, Butler County, Ohio (the Township), as of and for the year ended December 31, 2003, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated June 25, 2004.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to the Township's management in a separate letter dated June 25, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 25, 2004

**WEST CHESTER TOWNSHIP  
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2002-001	Ohio Rev. Code, Section 102.03 (D) and (E) referred to the Butler County Prosecutor and the Ohio Ethics Commission	No	No corrective action has been taken or recommended by the parties to whom the issue was referred.





**WEST CHESTER TOWNSHIP  
BUTLER COUNTY, OHIO**



**Comprehensive Annual Financial Report  
For the Year Ended December 31, 2003**



WEST CHESTER TOWNSHIP  
BUTLER COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2003

Issued by:  
Finance Department



West Chester Township  
Butler County, Ohio  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2003

Table of Contents

**INTRODUCTORY SECTION**

Title Page.....	i
Table of Contents .....	ii
Letter of Transmittal.....	v
Organizational Chart .....	xiii
List of Principal Officials .....	xiv
Certificate of Achievement.....	xvi

**FINANCIAL SECTION**

Independent Accountants' Report .....	1
Management's Discussion and Analysis .....	3

*Basic Financial Statements:*

Government-Wide Financial Statements:

Statement of Net Assets .....	11
Statement of Activities.....	12

Fund Financial Statements:

Balance Sheet – Governmental Funds .....	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement Activities.....	16

Notes to the Basic Financial Statements .....	17
---	----

*Required Supplementary Information:*

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non GAAP Basis) and Actual - General Fund.....	37
--	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual - Police Fund .....	38
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP Basis) and Actual – Fire and Emergency Medical Services Fund.....	39
--	----

Notes to the Required Supplementary Information .....	40
---	----

*Combining Statements and Individual Fund Schedules:*

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions .....	42
Combining Balance Sheet – Nonmajor Governmental Funds .....	44
Combining Statement of Revenues, Expenditures and Changes In the Fund Balance – Nonmajor Governmental Funds .....	45
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	46
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Special Revenue Funds .....	48

Individual Fund Schedules of Revenues, Expenditures and Changes

In Fund Balances – Budget (Non-GAAP Basis) and Actual:

West Chester Community Television Fund .....	51
Motor Vehicle License Tax Fund .....	52
Gasoline Tax Fund .....	53
Road and Bridge Fund .....	54
Cemetery Fund .....	55
Union Centre Boulevard Tax Increment Equivalent Fund.....	56
State Route 747 Tax Increment Equivalent Fund .....	57
Drug Law Enforcement Fund.....	58
Township Motor Vehicle License Tax Fund.....	59
Enforcement and Education Fund .....	60
Local Law Enforcement Block Grant Fund .....	61
Street Lighting Special Assessment Fund .....	62
Cemetery Bequest Fund .....	63
Park Trust Fund.....	64
Firing Range Trust Fund .....	65

Combining Statements – Nonmajor Debt Service Funds:

Combining Balance Sheet – Nonmajor Debt Service Funds.....	66
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Debt Service Funds .....	67

Individual Fund Schedules of Revenues, Expenditures and Changes In Fund

Balances – Budget (Non-GAAP Basis) and Actual – Nonmajor Debt Service Funds:

Union Centre Boulevard Tax Incremental Financing Debt Service Fund .....	68
State Route 747 Tax Incremental Financing Debt Service Fund .....	69

## STATISTICAL SECTION

General Fund Expenditures	
By Function Last Ten Years .....	70
General Fund Revenues	
By Source Last Ten Years .....	71
Property Tax Levies and Collections – Last Seven Years .....	72
Assessed and Estimated Actual Value of Taxable Property	
Last Eight Years .....	73
Property Tax Rates – Direct and Overlapping Governments - Last Seven Years.....	74
Special Assessment Billings and Collections – Last Seven Years .....	75
Legal Debt Margin .....	76
Ratio of Net General Obligation Bonded Debt – To Assessed	
Value and Net Bonded Debt per Capita – Last Three Years .....	77
Ratio of Annual Debt Service Expenditures for General Obligation	
Bonded Debt – To General Fund Expenditures – Last Three Years .....	78
Computation of Direct and Overlapping General Obligation Debt.....	79
Demographic Statistics – Last Ten Years .....	80
Property Value, Construction, and Bank Deposits – Last Eight Years .....	81
2003 Principal Taxpayers .....	82
Miscellaneous Statistics.....	83





# INTRODUCTORY SECTION





June 30, 2004

Citizens of West Chester Township  
Board of Trustees  
West Chester Township, Ohio

We are pleased to report our continuous commitment to providing the most detailed financial conditions of West Chester Township and are proud to present our third Comprehensive Annual Financial Report (CAFR) for West Chester Township. This report, for the fiscal year ending December 31, 2003, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of West Chester Township ("Township"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the Township, specifically with the Finance Director and Township Clerk/Treasurer.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, a list of principal officials, an organization chart of the Township and the Certificate of Achievement for Excellence in Financial Reporting for the 2002 CAFR.
2. The Financial Section begins with the Report of Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements that provide an overview of the Township's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section demonstrates the fiscal capacity of the Township and presents social and economic data and financial trend information.

#### TOWNSHIP OVERVIEW

West Chester Township is a community strategically positioned for successful residential and commercial development. Located in the heart of Greater Cincinnati's fastest growing area, West Chester is a community where families grow and businesses prosper.

West Chester Township, organized in 1823, is located in Butler County in southwestern Ohio. The Township is situated just north of I-275, approximately 18 miles north of downtown Cincinnati, Ohio and 30 miles south of downtown Dayton, Ohio. The Township has, and continues to, benefit from the convergence of the Cincinnati and Dayton metro areas along the I-75 corridor.

Geographically, the township consists of 35 square miles of residential neighborhoods, commercial and industrial developments. West Chester Township is located within minutes of the tri-state's three major interstates (I-75, I-71, I-275) and is positioned within 600 miles of approximately 54% of the United States' population and buying power.

## TOWNSHIP ORGANIZATION AND REPORTING ENTITY

The Township established as a limited home-rule government on December 21, 1999. The Township is directed by a publicly elected three-member Board of Trustees, who are elected for overlapping terms of four years. They have an elected Township Clerk/Treasurer and a Township Administrator, who is appointed by the Board of Trustees.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards and agencies that are not legally separate from the Township. For West Chester Township, this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning and zoning, economic development, cemeteries, information technology and community television. The Board of Trustees and the Township Administrator have direct responsibility for these activities.

## ITEMS OF LOCAL INTEREST

### Parks and Recreation

The Township contains six parks covering 644 acres and provides year-round recreational and educational programs for its citizens.

#### *Keehner Park*

Keehner Park contains 123 acres featuring an 1833 log cabin, picnic shelters, hiking trails, a creek, playground areas, baseball diamonds, soccer fields and tennis and basketball courts. Annual historical re-enactments are held in the picnic area the second weekend in August. Keehner Park also features an amphitheater in a natural setting, which residents can reserve for weddings and other celebrations and where park district programming includes concerts and other cultural events.

#### *Voice of America Park*

In 1999, the Township acquired 330 acres of the former Voice of America, as part of the federal government's disposal of the 600-acre site. While the park is still in its development stage, there has been much activity during 2003. In addition to the various sports organizations that use the playing fields several events, such as Freedom Fest, Dog Fest, and the Optimist Run for Youth, took place.

The Iams Wiggly Field Dog Park was completed and opened to the public in 2003 at no cost to the Township. The 5 acre parcel designed to encourage pets and owners to gather for socialization and exercise was funded by grants from Iams, Tanya's Treasures, and Sassy's friends as well as from the sale proceeds of commemorative bricks purchased by pet owners that are displayed in the park. The official dedication for Wiggly field took place in June 2004.

The Daisaku Ikeda Tree Grove was formally dedicated at Freedom Fest 2003. Dr. Daisaku Ikeda's message of peace and personal responsibility are echoed in the contribution of this tree grove by the lay Buddhist organization Soka Gakkai International. This organization presented the residents of the Township with 100 trees to honor their leader and his message. At the dedication ceremony, Soka Gakkai International pledged to donate a total of 1,000 trees to the community in the coming years.

### *Beckett Park*

For the west side of the Township, in February, 2000, the Trustees acquired 151 acres of parkland on Beckett Road, to the north of Union Centre Boulevard, in West Chester Township. The park will feature lakes, playgrounds, athletic fields, and a community conference and training facility. Construction for the site development plan is expected to begin in the summer of 2004.

### Culture and Education

Miami University, with an enrollment of over 19,000 students, is located in Oxford and offers some of the finest recreational activities in the County. The University's athletic teams, including football, basketball, baseball and hockey, compete at the NCAA Division I level as part of the Mid-American Conference. The University also offers an art museum, two indoor ice rinks, a theater and a campus that poet Robert Frost called "the prettiest college that ever was". Miami University also operates branch campuses in Middletown and Hamilton and is in the planning stages of a branch at the VOA site in West Chester.

Hueston Woods State Park is also located within the County. Hueston Woods contains Acton Lake and 3,500 wooded acres. Besides the numerous opportunities for water related activities, the park also includes one of the largest stands of beech-maple virgin forests east of the Mississippi, a 94-room lodge, a raptor center and a championship 18-hole golf course.

Golfers have their choice of a number of fine golf courses. Within the County there are six public, three private and one semi-public golf courses ranging in size from nine holes to 36 holes, including a championship level course.

Many additional activities are available to residents of West Chester Township in the nearby Cincinnati and Dayton metropolitan regions. Cincinnati offers ballet, symphony, theater, opera, Major League Baseball, National League Football, the Cincinnati Zoo and Botanical Gardens, the Museum of Natural History, the University of Cincinnati and Xavier University.

The City of Dayton offers the Dayton Art Institute, the Air Force Museum, the Dayton Ballet, the Dayton Philharmonic Orchestra, opera, Dayton Contemporary Dance Company, the University of Dayton, Wright State University, Sinclair Community College and Central State University.

### Transportation

West Chester lies equidistant from both the Greater Cincinnati and Dayton international airports. Additionally, the Butler County Regional, Blue Ash and Middletown Hook airports are all within a short commute.

Interstate 75 passes directly through the Township with three full interchanges within its limits. The Tylersville Road Interchange and Union Centre Interchange are full access, five-lane designs, and the Cincinnati-Dayton Road Interchange is currently being improved to the same level. In addition, over the last few and planned for the next several years, West Chester has invested and will invest approximately \$45 million in roadway improvements, infrastructure upgrades, and recreational enhancements

The I-275 regional beltway has three interchanges at the Township's southern and western edges and I-71 provides access to the township's eastern edge.

CSX and Norfolk & Western provide a number of sites and facilities with direct rail access.

## ECONOMIC CONDITIONS AND OUTLOOK

West Chester's population and business investment have grown substantially in recent years. In the past two decades, the Township's population has more than doubled to nearly 60,000 in 2000 with an anticipated build-out of 80,000 residents by 2007. This represents one of the highest growth rates in Ohio during this time period, and ranks West Chester as the third largest township in Ohio.

Four of the five largest business parks in the Greater Cincinnati region are located in West Chester. There are an estimated 40,000 employees working in West Chester's office, industrial and commercial sectors.

The stature and growth of West Chester's business sector significantly increased with the completion of the Union Centre Boulevard/I-75 Interchange in December 1997. The total cost of this project was \$29 million dollars with \$22 million in funds coming from the private sector including assessments and \$7 million dollars right of way donated. This interchange is the first new interchange in Southwestern Ohio in more than 20 years. Union Centre Boulevard Interchange, located two miles north of I-275, Cincinnati's outer beltway, provides immediate interstate access to more than 2,000 acres of un- or under-developed land. This has been the catalyst for West Chester becoming a prime location for business growth in the Greater Cincinnati area.

Even before the completion of the Union Centre Boulevard Interchange, West Chester Township had a history of strong business growth from the 1970's as development moved northward from Cincinnati and Hamilton County. There is considerable diversity in the West Chester's business community, with no single company representing more than 3% of the township's employment or tax base.

Historically, the manufacturing and distribution sectors represented the highest concentration of business in the Township, but the completion of the Union Centre Boulevard Interchange is driving diversification of the economy. Class A office development, flex-office construction, and technology-related growth gained strong momentum in 2000 and has continued over the past several years.

The development of the Union Centre Boulevard Interchange has encouraged major development companies in the region to begin aggressive expansion into West Chester during the past six years. More than 20 market-demand buildings, totaling over three million square feet of space, have been constructed by diverse national and regional development companies, including ProLogis, Duke-Weeks Realty, Schumacher Dugan Construction, D.A. Development, K&W Development, Higgins Development Partners, Industrial Development International, and First Industrial. Six of the 10 largest national office and industrial developers have significant investments in West Chester.

There have been more than 40 build-to-suit projects and expansions of existing companies, representing a diversity of companies, from Fortune 500 companies to small businesses, providing for a healthy, diverse business mix. Distribution companies have found West Chester Township to be a profitable business environment with its location along the I-75 corridor. Major distribution facilities located in West Chester include Alliant Foodservice, Tropicana Products, Crescent Park Distribution Center, and Corporate Express. These companies represent more than one million square feet of space and 500 employees.

The top five manufacturing employers in the Township combined have more than 2,600 employees. These are: FKI Logistex (formerly Buschman Company), which manufactures conveyor systems; Pierre Frozen Foods, a producer of ready-to-eat food items; CTL Aerospace, Inc., a producer of fiberglass and plastic parts; Corr-Flex, which manufactures display products; and Lenscrafters, a manufacturer and distributor of eyewear.

Major employers in West Chester's corporate office and technology sector include Procter & Gamble Manufacturing Supply Technology, Procter & Gamble Beckett Ridge Technical Center, United Healthcare, General Electric, Cintas Corporation, and Rite Track. Combined, these companies employ more than 1,700 professionals.

The land directly adjacent to the Union Centre Boulevard Interchange is being developed in accordance with the community vision for this while also responding to market demand for raw land with interstate visibility and immediate access. Rezoned to a Central Business District (CBD) designation, approximately 250 acres on each side of the interchange are subject to the completion of a master development plan. Currently, there is significant activity on both the west and east sides of the Interchange, with additional development proposed.

One of the key components of the CBD zoned land on the west side is the development of Centre Pointe Office Park at Union Centre, the Township's first Class A office park. Higgins Development Partners, headquartered in Chicago, is developing Centre Pointe, calling for the construction of four 120,000 square buildings, and land is in reserve for three additional office buildings. Three of the four initial buildings have been constructed. West Chester Township relocated its offices to the Centre Pointe Office Park and occupies 15,000 square feet in building one.

In 2002, West Chester became the focus of intense interest for upscale retail development. Four national development companies announced plans to construct upscale "lifestyle" retail centers in the community. The four sites were positioned along Interstate 75 at different interchanges: Union Centre Boulevard West, Union Centre Boulevard East, Cincinnati-Dayton Road, and Tylersville Road at Voice of America. The Union Centre Boulevard East development, the upscale retail Streets of West Chester project continued development in 2003. The Streets of West Chester is developing as a community town centre with upscale retail tenants, entertainment anchors, quality restaurants all linked with pedestrian, landscaped, and hardscape (benches, fountains, brick pavers, etc.) amenities. The grand opening of the project occurred in the Spring of 2004. The Rave Movie Theater, an 18-screen, 79,330 square foot, 4,100 seat deluxe movie theater located in the Streets of West Chester at Union Centre Boulevard and Interstate 75 opened in 2003 and has been very successful. The Rave is the second largest grossing movie theater in the Cincinnati area. The theater features wall-to-wall screens, a large lobby with state-of-the-art video games, digital surround sound, and a party room.

### MAJOR INITIATIVES

In March 2002, the Township purchased the former iMotors.com facility for \$4.3 million. During 2002, 2003, and continuing in 2004, the facility has been renovated to house the Police, Roads, Building and Maintenance, and Planning and Zoning Departments. Complete renovation and relocation totals approximately \$6.5 million; however, more importantly, the improvements represent an increase in the quality of service.

In 2003, the Township continued its efforts in renovating the historic Station Road Schoolhouse, a circa 1800's schoolhouse that represents a significant tie to West Chester's history and may house the Union Township Historical Society and other community groups.

West Chester Township has sought multiple grants to renovate the Voice of America building into a museum, preserving the history and story of the Voice of America. Complete renovation and reuse of the VOA building commenced in 2002 and will continue for many years and will cost approximately \$5.0 million.

Multiple road improvement projects commenced/continued in 2003, including the extension of Centre Pointe Drive from Muhlhauser Road to Union Centre Boulevard; the widening of Cox Road from two to five lanes from Tylersville Road to Hamilton Mason Road with major intersection improvements; the widening of Port Union Road to incorporate a continuous center turn lane between the City of Fairfield limits and State Route 747; the widening of Interstate 75 from Hamilton County north to the State Route 63 Interchange with major interchange improvements at SR 63 and at I-275; and State Route 747 is being upgraded from south of Smith Road to the Butler County Regional Highway. The City of Fairfield began a major improvement project in 2003, to upgrade two major commercial and industrial roadways. As part of that project, Muhlhauser Road will be widened from State Route 4 in Fairfield east to State Route 747 in West Chester. Project completion is expected July 2004.

## FUTURE PROJECTS

In 2004 and 2005 multiple construction projects will commence:

Over the next couple of years, West Chester will focus on strengthening its identity and character as a community. Most capital improvement projects will concentrate on quality of life amenities for West Chester's thousands and thousands of residents and corporate citizens.

West Chester will reconstruct a historic barn as part of Beckett Park, using the original materials to use as a senior center and cultural and theatrical arts center. The cost of reconstruction is approximately \$5.0 million and the barn should be completed in 2004.

The Township received grants from the Ohio Department of Natural Resources to construct a bike trail and create/conservate natural wetlands areas. Construction of the bike trail is scheduled for 2004 and property acquisition/donation for the project is already underway.

## FINANCIAL INFORMATION

### Internal Control Structure and Budgetary Controls

Development of the Township's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the Township administration and members of the finance office. The administrative and financial management personnel believe that the Township's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.



## Financial Condition

Starting with fiscal year 2001, the Township presented financial statements in accordance with Generally Accepted Accounting Principles. The Township is committed to and will continue to provide and prepare financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments."

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the Township. This discussion follows this letter of transmittal, providing an assessment of the Township's current audit year finances.

## Cash Management

The Township pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the Ohio Revised Code. The total interest earned by the Township was \$336,126 for the year ended December 31, 2003, which represents an annual interest yield of 1.1 percent of the total receipts for the year. A majority of the Township's deposits are collateralized by pooled collateral. The pool of securities so pledged must have a current market rate value of at least equal to 105 percent of all public monies on deposit with the depository including the amount covered by federal insurance. The Township regularly reviews the market value of the pool to insure that adequate collateral is being provided.

## OTHER INFORMATION

### Independent Audit

An audit team from Auditor of State Betty Montgomery's Office has performed this year's audit. The results of the audit are presented in the Independent Accountants' Report.

### Awards

For 2002, West Chester Township submitted its Comprehensive Annual Financial Report (CAFR) to The Government Finance Officers Association of the United States and Canada (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. West Chester Township was a recipient of this award for the 2002 CAFR and anticipates receiving the commendation again for 2003.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

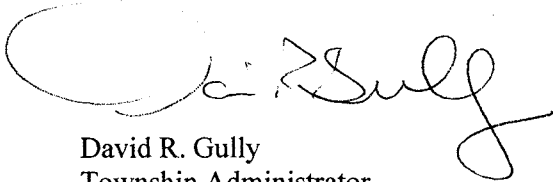
We believe our current report conforms to the Certificate of Achievement Program requirements.

Acknowledgments

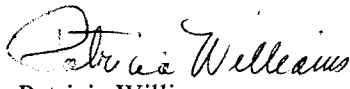
For their efforts and work in the preparing this report, a special thanks is due to the Finance Department staff, especially Kacey Waggaman, Finance Director.

Our appreciation is extended to the Board of Trustees, department heads and employees for contributing to the sound financial position of West Chester Township. This report demonstrates a level of professionalism and accountability that West Chester Township strives to maintain.

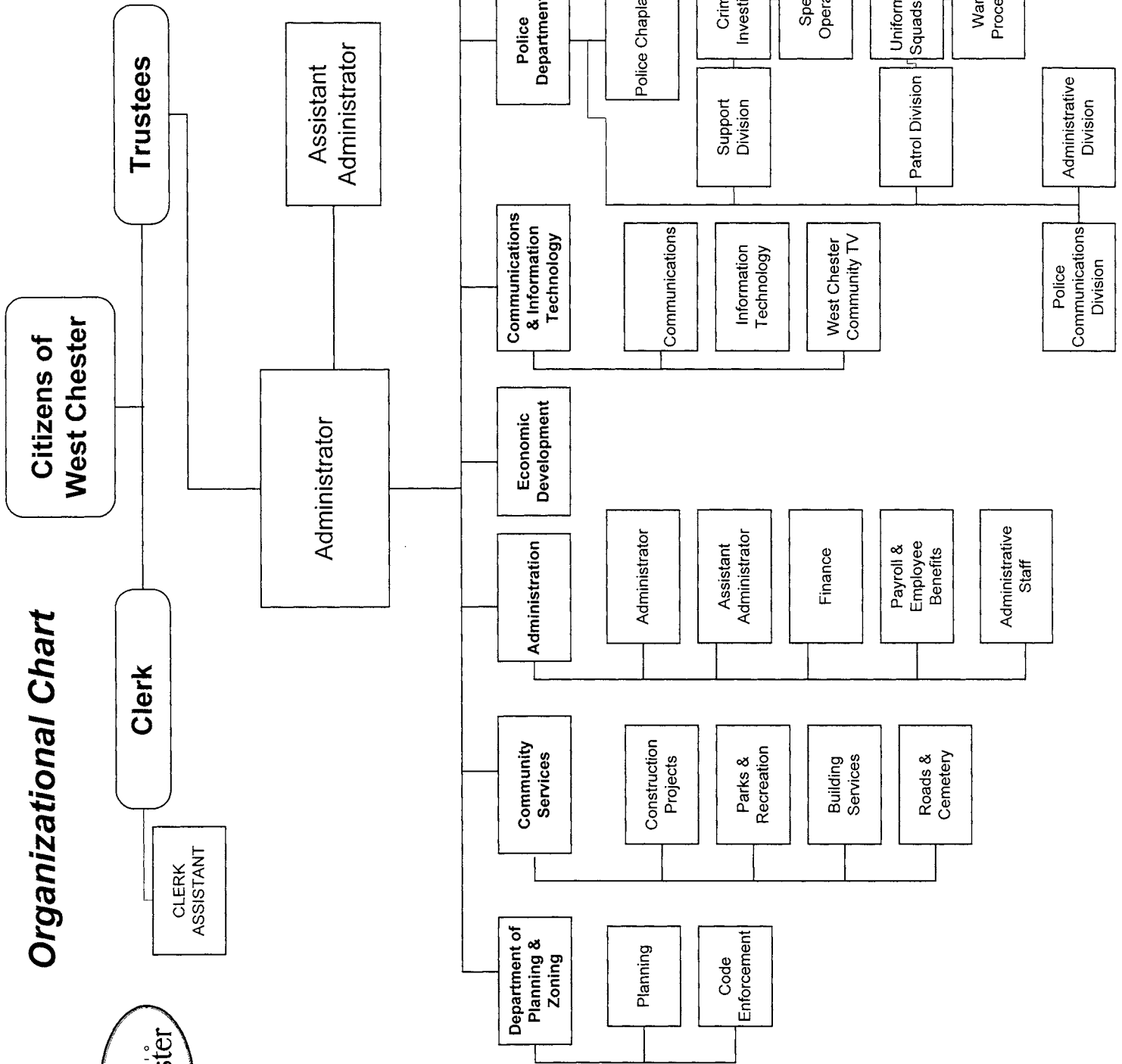
Sincerely,

A handwritten signature in cursive script, appearing to read "D. R. Gully".

David R. Gully  
Township Administrator

A handwritten signature in cursive script, appearing to read "Patricia Williams".  
Patricia Williams  
Township Clerk/Treasurer

# Organizational Chart



West Chester Township  
Butler County, Ohio  
List of Principal Officials  
December 31, 2003



Dave Tacosik  
Township Trustee



Catherine Stoker  
Township Trustee



José Alvarez  
Township Trustee



Patricia Williams  
Township Clerk



David Gully  
Township Administrator

West Chester Township  
Butler County, Ohio  
List of Principal Officials  
December 31, 2003  
(continued)

---

Elected Officials

---

Trustee	Dave Tacosik
Trustee	Catherine Stoker
Trustee	Jose' Alvarez
Clerk/Treasurer	Patricia Williams

---

Appointed Officials

---

Administrator	David Gully
Assistant Administrator	Judith Carter
Fire Chief	James Detherage
Chief of Police	John Bruce
Director of Communications Information and Technology	Denise Huffman
Director of Services	Mark Fitzgerald
Director of Planning and Zoning	Brian Elliff
Director of Maintenance	Robert Murphy
Director of Parks and Recreation	William Zerkle
Director of Community Television	Timothy Jester
Director of Economic Development	Melissa Koehler
Director of Finance	Kacey Waggaman

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Chester Township,  
Butler County, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# FINANCIAL SECTION







**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

West Chester Township  
Butler County  
9100 Centre Pointe Drive  
West Chester, OH 45069

To the Township Trustees

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of West Chester Township, Butler County, Ohio (the Township), as of and for the year ended December 31, 2003, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Chester Township, Butler County, Ohio, as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2004, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis and the Budgetary Comparison for the General, Police, Fire and Emergency Medical Service funds are not a required part of the basic financial statements but are supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining non-major fund statements and schedules and statistical table are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

June 25, 2004

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The West Chester Township's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2003.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net assets increased \$13.7 million.
- Capital assets increased by \$1.2 million.
- General revenues accounted for \$39.0 million in revenue or 96.0 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$1.6 million or 4.0 percent of \$40.6 million in total revenues.
- At the end of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$25.4 million. Of this amount \$21.0 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$.9 million or 21.0 percent of total general fund expenditures and other financing uses.

### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand West Chester Township's (the "Township") financial situation as a whole and also give a detailed view of the Township's fiscal condition.

The statement of Net Assets and Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Major fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the Township's most significant funds with all other nonmajor funds presented in total in one column.

### **REPORTING THE TOWNSHIP AS A WHOLE**

#### *Government-Wide Financial Statements- Statement of Net Assets and the Statement of Activities*

The analysis of the Township as a whole begins on page 11 with the Statement of Net Assets and the Statement of Activities.

While this document contains information about the funds used by the Township to provide services to our citizens, the view of the Township as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

These two statements report the Township's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the Township as a whole, the financial position of the Township has improved or diminished. However, in evaluating the overall position of the Township, nonfinancial information such as changes in the Township's tax base, the condition of Township capital assets and the reputation of the public schools will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the Township presents only governmental activities where all of the Township's services are reported including general government, police, fire and emergency medical services, public works, cemetery, parks and recreation, planning and zoning, economic development, and community television.

## **REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the Township's major funds begins on page 13. Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. Some funds are required by State law and other funds may be established by the Clerk/Treasurer, with approval of the Board of Trustees, to help control, manage and report money received for a particular purpose or to show that the Township is meeting legal responsibilities for use of grants. The Township's major funds include the General Fund, Police, Fire and Emergency Medical Services, Union Centre Boulevard Tax Incremental Financing Capital (UCB TIF Capital), and State Route 747 Tax Incremental Financing Capital (Stat Route 747 TIF) funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

*Notes to the Basic Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the Statement of Net Assets, Statement of Activities, and fund financial statements.

**THE TOWNSHIP AS A WHOLE**

As stated previously, the Statement of Net Assets looks at the Township as a whole. Table 1 provides a summary of the Township's net assets for 2003 compared to 2002.

TABLE 1 - NET ASSETS  
(in Millions)

	Governmental Activities	
	2003	2002
<b>Assets</b>		
Current and Other Assets	\$56.7	\$45.5
Capital Assets, Net	66.0	64.8
Total Assets	122.7	110.2
<b>Liabilities</b>		
Current and Other Liabilities	17.2	30.0
Long-Term Liabilities		
Due within One Year	1.7	1.1
Due in More Than One Year	37.3	26.3
Total Liabilities	56.2	57.4
<b>Net Assets</b>		
Invested in Capital Assets,		
Net of Related Debt	28.0	36.2
Restricted for:		
Debt Service	3.6	0.9
Capital Projects	1.3	1.2
Other Purposes	15.2	7.9
Unrestricted	18.4	6.6
Total Net Assets	\$66.5	\$52.8

Total net assets increased \$13.7 million and the Township had a net capital asset increase over \$1.2 million for 2003 with the construction expenses on projects for the safety services building and the Port Union Canal bike trail.

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

***Governmental Activities***

The primary focus of governmental activities is on public safety, which represents the police, fire and emergency medical services departments of the Township. For 2003, total expenses were \$16.0 million representing 59.3% of governmental activity spending yielding a reliance on general revenues to fund the program of \$15.9 million after direct support to their programs.

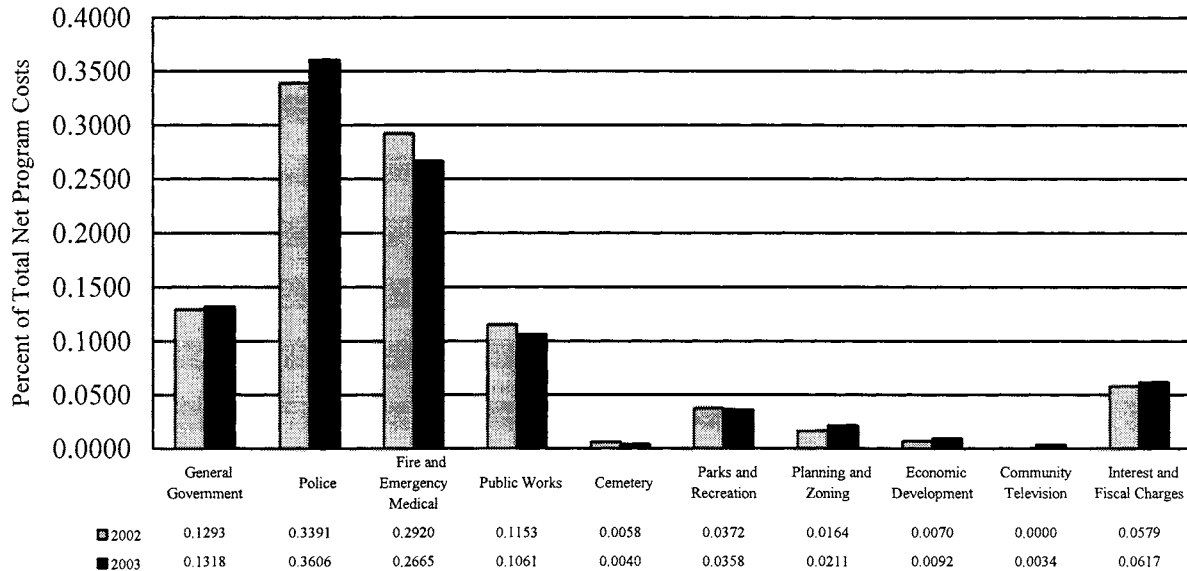
The changes in net assets for 2002 and 2003 are outlined below,

TABLE 2 – CHANGE IN NET ASSETS  
(in Millions)

	Governmental Activities	
	2003	2002
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	0.9	\$1.5
Operating Grants and Contributions	0.7	0.2
Total Program Revenues	<u>1.6</u>	<u>1.7</u>
<i>General Revenues</i>		
Property and Other Taxes	30.3	21.6
Grants and Entitlements	8.0	3.4
Unrestricted Investment Earnings	0.3	0.5
Miscellaneous	0.4	0.2
Total General Revenues	<u>39.0</u>	<u>25.7</u>
Total Revenues	<u>40.6</u>	<u>27.4</u>
<b>Program Expenses:</b>		
General Government	3.8	3.0
Public Safety		
Police	9.2	7.8
Fire and Emergency Medical Services	6.8	6.6
Public Works	3.2	3.2
Cemetery	0.2	0.2
Parks and Recreation	0.9	0.9
Planning and Zoning	0.5	0.6
Economic Development	0.2	0.2
Community Television	0.5	0.5
Interest and Fiscal Charges	1.6	1.3
Total Expenses	<u>26.9</u>	<u>24.2</u>
Increase in Net Assets	13.7	3.1
Net Assets Beginning of Year	<u>52.8</u>	<u>49.7</u>
Net Assets End of Year	<u>66.5</u>	<u>\$52.8</u>

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

Net program cost for 2003 and 2002 by percentage of total net program expenses, as presented on the statement of activities, were as follows:



As indicated by governmental program expenses, citizen safety and well-being is emphasized. Public Works (infrastructure improvements and maintenance of roads within the Township) are considered an integral part of the quality of life factor.

When looking at the sources of income to support operations, it should be noted that charges for services are only 2.2% of revenue, while 74.5% of revenue is derived from property and other taxes. The Township relies on these taxes to furnish the quality of life to business and citizens that the current Township Trustees and previous Boards of Trustees have considered a priority.

**THE TOWNSHIP'S FUNDS**

Information about the Township's major governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. All governmental funds had operating revenues of \$29.3 million and expenditures of \$29.1 million.

The Police fund balance increased \$2.4 million. The reason for this increase is that the Township passed a property tax levy in 2001 and revenues from that levy are projected to exceed expenditures for the next few years.

<b>Major Funds</b>
<i>General</i>
<i>Police</i>
<i>Fire and EMS</i>
<i>UCB TIF Capital</i>
<i>SR 747 TIF Capital</i>

The Union Centre Boulevard Tax Incremental Financing Capital fund balance increased \$4.7 million. The change for the positive in the fund occurred because the Township issued long term debt in the amount of \$6.6 million and paid off \$2.0 million in short term notes that were part of this fund in 2002.

The State Route 747 Tax Incremental Financing Capital fund balance increased by \$2.7 million, for a total fund balance of \$4.4 million, largely due to the issuance of \$5.6 million in long term debt.

West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

***Budgetary Activity and Actual Results***

The schedules comparing the Township's original and final budgets and actual results are included in the Required Supplementary Information for the General, Police, and Fire and Emergency Medical Services funds. Other governmental funds with adopted budgets are presented with the combining statements and individual fund schedules.

During 2003, there was one revision to the General, Police, and Fire and Emergency Medical Services funds budgets. For the General Fund, actual revenues were within 96.3 percent of final budget and actual expenditures plus encumbrances were 90.2 percent of final budget amounts. The main variances were intergovernmental on the revenue side and capital outlay on the expenditure side. The Township anticipated that construction would begin during 2003 for the Clean Ohio Conservation and Clean Ohio Trails reimbursable grants awarded to the parks and recreation department. However, several land acquisitions/property donations were necessary to begin construction, none of which were finalized by year end.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

TABLE 3 – NET CAPITAL ASSETS  
(In Millions)

	2003	2002
Land	\$16.4	\$16.4
Land Improvements	0.7	0.7
Buildings and Improvements	3.3	3.2
Infrastructure	31.4	32.9
Machinery and Equipment	3.2	3.7
Construction in Progress	11.0	7.9
Totals	\$66.0	\$64.8

Additional information regarding capital assets can be found in Note 7 to the Basic Financial Statements.



West Chester Township  
Butler County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003

---

***Debt***

At December 31, 2003 the West Chester Township had \$37.4 million in unvoted general obligation bonds. The Township paid \$.90 million in principal on general obligation bonds during 2003 while issuing \$12.2 million in additional bonds. The net increase in general obligation debt for the Township during 2003 was \$11.3 million.

The Township's overall legal debt margin was \$149,050,743 at December 31, 2003. Long-term debt and short-term debt obligations are discussed in Note 9 and 10 of the Notes to the Basic Financial Statements.

**FINANCIAL POSITION**

In the past two decades, West Chester Township has experienced a tremendous amount of population and business growth. Although this growth has benefited the Township's financial position, the Township continues to seek ways to improve the quality and quantity of the services we provide to the citizens of West Chester. Considering the stable condition of the General Fund, the passage of tax levies in 1999 and 2001 for the Fire and Emergency Medical Services and Police funds, respectively and the continued growth of revenue from the Tax Incremental Financing Districts the Township's overall financial position has improved during 2003.

**CONTACTING THE TOWNSHIP'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayer, creditors and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information write to Kacey Waggaman, Director of Finance, West Chester Township, 9100 Centre Pointe Drive, Suite 280, West Chester, Ohio 45069.

*This Page Intentionally Left Blank*

West Chester Township  
Butler County, Ohio  
Statement of Net Assets  
December 31, 2003

	Governmental Activities
<u>Assets</u>	
<i>Current:</i>	
Equity in Pooled Cash and Cash Equivalents	\$27,409,191
Receivables:	
Taxes-Real & Personal Property	17,714,153
Payments in Lieu of Taxes	6,084,466
Accounts	313,145
Intergovernmental	3,912,941
Special Assessments	257,810
Prepaid Items	264,333
Bond Issuance Costs	755,443
<i>Noncurrent:</i>	
Land and Construction in Progress	27,479,757
Depreciable Capital Assets	38,548,120
	38,548,120
 Total Assets	 \$122,739,359
 <u>Liabilities</u>	
<i>Current:</i>	
Accounts Payable	\$174,706
Contracts Payable	621,625
Retainage Payable	98,798
Accrued Wages and Benefits	401,127
Intergovernmental Payable	1,087,467
Accrued Interest Payable	144,869
Unearned Revenue	14,665,230
<i>Noncurrent:</i>	
Long Term Liabilities due within 1 year	1,738,957
Long Term Liabilities due over 1 year	37,287,337
	37,287,337
 Total Liabilities	 56,220,116
 <u>Net Assets</u>	
Investment in Capital Assets, net of related debt	28,019,055
Restricted:	
Public Safety	10,707,994
Debt Service	6,616,014
Capital Improvements	8,244,980
Other Purposes	9,130,012
Unrestricted	3,801,188
	3,801,188
 Total Net Assets	 66,519,243
 Total Net Assets and Liabilities	 \$122,739,359

See accompanying notes to the basic financial statements

West Chester Township  
Butler County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2003

Function/Programs	Program Revenues			Net (Expense) Revenue and
	Expenses	Charges for Services	Operating Grants and Contributions	Changes in Net Assets
				Governmental Activities
<u>Governmental Activities</u>				
General Government	(\$3,895,612)	\$371,161	\$105,216	(\$3,419,235)
Public Safety				
Police	(9,215,806)	35,843	26,508	(9,153,455)
Fire and Emergency Medical Services	(6,786,432)	0	22,160	(6,764,272)
Public Works	(3,224,230)	0	531,480	(2,692,750)
Cemetery	(183,273)	82,752	0	(100,521)
Parks and Recreation	(864,872)	0	19,577	(845,295)
Planning and Zoning	(524,561)	0	0	(524,561)
Economic Development	(233,023)	0	0	(233,023)
Community Television	(490,651)	405,231	0	(85,420)
Interest and Fiscal Charges	(1,565,359)	0	0	(1,565,359)
Totals	<u>(\$26,983,819)</u>	<u>\$894,987</u>	<u>\$704,941</u>	<u>(25,383,891)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	1,647,980
Public Works	1,234,015
Public Safety - Police	9,928,177
Public Safety - Fire	5,956,494
Payments in Lieu of Taxes	11,095,536
Permissive Taxes	431,451
Grants and Contributions not restricted to specific programs	7,983,939
Unrestricted investment earnings	336,126
Miscellaneous	435,693
Total General Revenues	<u>39,049,411</u>
Change in Net Assets	13,665,520
Net Assets-Beginning of Year	<u>52,853,723</u>
Net Assets-End of Year	<u>\$66,519,243</u>

See accompanying notes to the basic financial statements

West Chester Township  
Butler County, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2003

	General	Police	Fire and EMS	UCB TIF Capital	747 TIF Capital	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Equity in Pooled Cash and Cash Equivalents	\$1,042,362	\$6,901,628	\$2,446,031	\$3,467,548	\$5,148,998	\$8,402,624	\$27,409,191
Receivables:							
Taxes	1,545,083	9,504,774	5,738,850	0	0	925,446	17,714,153
Payment in Lieu of Taxes	0	0	0	0	0	6,084,466	6,084,466
Accounts	27,883	3,625	178,106	0	0	103,531	313,145
Due From Other Governments	1,615,306	1,316,153	747,964	0	0	233,518	3,912,941
Special Assessments	1,004	0	0	0	0	256,806	257,810
Prepaid Items	69,203	75,301	59,374	0	0	60,455	264,333
<b>Total Assets</b>	<b>\$4,300,841</b>	<b>\$17,801,481</b>	<b>\$9,170,325</b>	<b>\$3,467,548</b>	<b>\$5,148,998</b>	<b>\$16,066,846</b>	<b>\$55,956,039</b>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	37,106	34,512	33,773	0	2,167	67,148	174,706
Contracts Payable	11,035	0	0	23,348	587,242	0	621,625
Accrued Wages and Benefits	55,502	180,922	135,158	0	0	29,545	401,127
Matured Compensated Absences Payable	19,871	32,824	11,427	0	0	3,486	67,608
Retainage Payable	0	0	0	0	98,798	0	98,798
Due to Other Governments	84,347	246,537	305,464	0	0	451,119	1,087,467
Deferred Revenue	3,041,558	10,808,547	6,651,507	0	0	7,589,736	28,091,348
<b>Total Liabilities</b>	<b>3,249,419</b>	<b>11,303,342</b>	<b>7,137,329</b>	<b>23,348</b>	<b>688,207</b>	<b>8,141,034</b>	<b>30,542,679</b>
<u>Fund Balances</u>							
Reserved for Encumbrances	56,187	8,187	5,745	85,186	3,822,358	131,861	4,109,524
Reserved for Prepaids	69,203	75,301	59,374	0	0	60,455	264,333
Unreserved, Reported in:							
General Fund	926,032	0	0	0	0	0	926,032
Special Revenue Funds	0	6,414,651	1,967,877	0	0	4,122,728	15,200,895
Debt Service Fund	0	0	0	0	0	3,610,768	3,610,768
Capital Projects Funds	0	0	0	3,359,014	638,433	0	1,301,808
<b>Total Fund Balances</b>	<b>1,051,422</b>	<b>6,498,139</b>	<b>2,032,996</b>	<b>3,444,200</b>	<b>4,460,791</b>	<b>7,925,812</b>	<b>25,413,360</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,300,841</b>	<b>\$17,801,481</b>	<b>\$9,170,325</b>	<b>\$3,467,548</b>	<b>\$5,148,998</b>	<b>\$16,066,846</b>	<b>\$55,956,039</b>

See accompanying notes to the basic financial statements

West Chester Township  
Butler County, Ohio  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2003

Total Governmental Fund Balances \$ 25,413,360

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	16,400,198	
Construction in progress	11,079,559	
Infrastructure	53,833,569	
Other capital assets	15,645,865	
Accumulated depreciation	<u>(30,931,314)</u>	
Total capital assets		66,027,877

Some of the Township's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds:

Property Taxes	1,089,324	
Payment in Lieu of Taxes	6,084,466	
Special Assessments	257,810	
Due From Other Governments	5,688,589	
Accounts Receivable	<u>305,929</u>	
		13,426,118

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued interest on bonds	(144,869)	
Premium/Discount on bonds	(573,822)	
Unamortized issuance costs	755,443	
Bonds	(37,435,000)	
Compensated absences	<u>(949,864)</u>	
Total liabilities		<u>(38,348,112)</u>

Net Assets of Governmental Activities \$ 66,519,243

See accompanying notes to the basic financial statements

West Chester Township  
Butler County, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003

	General	Police	Fire and EMS	UCB TIF Capital	State Route 747 TIF Capital	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>							
Taxes	\$1,554,271	\$9,359,609	\$5,613,526	\$0	\$0	\$1,581,387	\$18,108,793
Charges for Services	0	0	0	0	0	45,875	45,875
Licenses and Permits	94,430	0	0	0	0	339,527	433,957
Fines and Forfeitures	249,788	0	0	0	0	34,893	284,681
Intergovernmental	2,151,863	1,158,986	699,728	0	0	323,042	4,333,619
Special Assessments	0	0	0	0	0	274,674	274,674
Interest	233,777	0	0	33,149	56,068	13,132	336,126
Payments in Lieu of Taxes	0	0	0	0	0	5,011,070	5,011,070
Contributions and Donations	104,212	593	22,160	0	0	16,077	143,042
Other	11,507	81,722	23,045	204,809	4,112	28,794	353,989
<b>Total Revenues</b>	<b>4,399,848</b>	<b>10,600,910</b>	<b>6,358,459</b>	<b>237,958</b>	<b>60,180</b>	<b>7,668,471</b>	<b>29,325,826</b>
<u>Expenditures</u>							
Current:							
General Government	2,540,988	0	0	0	2,167	737,545	3,280,700
Public Safety	0	8,004,851	0	0	0	36,501	8,041,352
Police	0	0	6,224,571	0	0	0	6,224,571
Fire & EMS	31,199	0	0	0	0	1,748,679	1,779,878
Public Works	0	0	0	0	0	176,259	176,259
Cemetery	0	0	0	0	0	9,608	9,608
Parks and Recreation	787,287	0	0	0	0	0	787,287
Planning and Zoning	481,239	0	0	0	0	0	481,239
Economic Development	213,120	0	0	0	0	0	213,120
Community Television	0	0	0	0	0	0	0
Capital Outlay	181,749	174,067	284,220	798,444	2,531,974	334,115	5,162,972
Debt Service	0	0	0	0	0	0	0
Principal Retirement	0	0	50,000	630,000	185,000	35,000	900,000
Interest and Fiscal Charges	0	0	70,038	783,552	245,400	626,102	1,725,092
<b>Total Expenditures</b>	<b>4,235,582</b>	<b>8,178,918</b>	<b>6,628,829</b>	<b>2,211,996</b>	<b>2,964,541</b>	<b>4,896,327</b>	<b>29,116,193</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>164,266</b>	<b>2,421,992</b>	<b>(270,370)</b>	<b>(1,974,038)</b>	<b>(2,904,361)</b>	<b>2,772,144</b>	<b>209,633</b>
<u>Other Financing Sources (Uses)</u>							
GO Bonds Issued	0	0	0	6,600,000	5,600,000	0	12,200,000
Transfers - In	0	0	0	54,847	0	100,000	154,847
Transfers - Out	(100,000)	0	0	0	0	(54,847)	(154,847)
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>0</b>	<b>0</b>	<b>6,654,847</b>	<b>5,600,000</b>	<b>45,153</b>	<b>12,200,000</b>
<b>Net Change in Fund Balance</b>	<b>64,266</b>	<b>2,421,992</b>	<b>(270,370)</b>	<b>4,680,809</b>	<b>2,695,639</b>	<b>2,817,297</b>	<b>12,409,633</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>987,156</b>	<b>4,076,147</b>	<b>2,303,366</b>	<b>(1,236,609)</b>	<b>1,765,152</b>	<b>5,108,515</b>	<b>13,003,727</b>
<b>Fund Balances End of Year</b>	<b>\$1,051,422</b>	<b>\$6,498,139</b>	<b>\$2,032,996</b>	<b>\$3,444,200</b>	<b>\$4,460,791</b>	<b>\$7,925,812</b>	<b>\$25,413,360</b>

See accompanying notes to the basic financial statements

West Chester Township  
Butler County, Ohio  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2003

Net Change in Fund Balances - Total Governmental Funds \$12,409,633

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Asset Additions	4,010,708	
Capital Asset Deletions	(57,338)	
Current Year Depreciation	<u>(2,709,045)</u>	
		1,244,325

Because some revenues will not be collected for several months after the Township's year-end, they are not considered "available" revenues and are reported as deferred revenue in the governmental funds.

Property Taxes	1,089,324	
Payment in Lieu of Taxes	6,084,466	
Due From Other Governments	3,752,557	
Special Assessments	257,810	
Accounts Receivable	<u>305,929</u>	
		11,490,086

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond Principal Retirement	900,000
---------------------------	---------

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.

159,733

Bond Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. However, in the government-wide statements, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

Bond Proceeds	(12,200,000)
Bond Premiums/Discounts on Issue	(166,573)

Compensated Absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(171,684)

Change in Net Assets of Governmental Activities

\$13,665,520

See accompanying notes to the basic financial statements



West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

**Note 1 - Description of the Township and Reporting Entity**

West Chester Township (the "Township") is a body corporate and politic established in 1823 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. On December 21, 1999, the Township established as a limited home-rule government as authorized by Chapter 504 of the Ohio Revised Code. The Township is directed by a publicly elected three-member Board of Trustees, who are elected for overlapping terms of four years. They have an elected Township Clerk/Treasurer and a Township Administrator, who is appointed by the Board of Trustees. All department heads report to the Township Administrator.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township, this includes providing police protection, fire and emergency medical services, road maintenance and repairs, cemeteries, parks and recreation, planning and zoning, economic development, and community television. The Board of Trustees and the Township Administrator have direct responsibility for these activities.

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 financial support to, the organization; or the Township is obligated for the debt of the organizations. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes, or determines the budget. For 2003, the Township did not have any component units.

The Township participates in one related organization, the Community Improvement Corporation (CIC). This organization is presented in Note 16 to the combined financial statements and is excluded from the accompanying financial statements.

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

The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Township's accounting policies are described below.

***A. Basis of Presentation***

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

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

**Government-Wide Financial Statements** The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government and its component unit. The effect of inter-fund activity has been removed from these statements.

The statement of net assets presents the financial condition of the governmental activities of the Township at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program or grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

**Fund Financial Statements** During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order 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 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 funds 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. The Township only has the governmental category of funds.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's major governmental funds:

**General Fund** The general fund accounts 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.

**Police Fund** The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

**Fire and Emergency Medical Service (Fire and EMS) Fund** The fire and emergency medical services special revenue fund accounts for tax revenues levied for the operation of the Township Fire Department.

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

***Union Centre Boulevard Tax Incremental Financing Capital Projects Fund*** This capital project fund is used to account for construction costs and related debt proceeds for the Union Centre Boulevard TIF area infrastructure projects.

***State Route 747 Tax Incremental Financing Capital Projects Fund*** This capital project fund is used to account for the monies used for construction costs and related debt proceeds for the State Route 747 TIF area infrastructure projects.

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

***C. Measurement Focus***

***Government-Wide Financial Statements*** The government-wide financial statements are prepared using the *economic resources measurement focus*. All assets and all liabilities associated with the operation of the Township are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

***Revenues - Exchange and Non-exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Township, available means expected to be received within thirty-one days of year-end.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

Nonexchange transactions, in which the Township receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 5.) Revenue from payments in lieu of taxes, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Township must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants, and fees.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***E. Cash and Cash Equivalents***

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Township records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the statement of net assets and the governmental fund balance sheet.

Investments are reported at fair value, which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

Interest is distributed according to Ohio statutes. Interest revenue credited to the general fund during 2003 amounted to \$233,777, which includes \$223,972 assigned from other Township funds.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

***G. Capital Assets***

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of three thousand five hundred dollars. The Township's infrastructure consists of Township roads and street lighting. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Township's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	45 years
Infrastructure	20 to 35 years
Machinery and Equipment	5 to 20 years

***H. Compensated Absences***

The Township reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the Township has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the Township's termination policy. The Township records a liability for all accumulated unused vacation time when earned for all employees. The Township records a liability for accumulated unused sick leave for all employees after ten years of accumulated service.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. Matured vacation leave represents the entire current portion. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The entire compensated absence liability is reported on the government-wide statement of net assets.

***I. Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the fund financial statements regardless of whether they will be liquidated with current resources. However, compensated absences and general obligation bonds that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that are normally due for payment during the current year. The entire balance is reported as a liability on the statement of net assets.

***J. Fund Balance Reserves***

The Township reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and prepaids are recorded as a reservation of fund balance.

***K. Net Assets***

Net assets represent the difference between assets and liabilities. Investment in capital assets, net of debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Township applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***L. Interfund Activity***

During the course of normal operations, the Township has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund and "Transfers Out" by the disbursing fund on the fund financial statements. These transfers are consolidated on the government-wide statements.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the Township are similarly treated when involving other funds of the Township.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

***M. Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Correction of Error**

For fiscal year 2002, the Township had presented the Community Improvement Corporation (CIC) as a discretely presented component unit. The CIC should have been presented as a related organization. The restatements had the following effect:

	Component Unit
12/31/02 Fund Balance/Net Assets	\$45,022
Component Unit Classification Corrected	(45,022)
Restated 12/31/02 Fund Balance/Net Assets	\$0

**Note 4 - Deposits and Investments**

Cash resources of several individual funds are combined to form a pool of cash and investments. Statutes require the classification of funds held by the Township into the following three categories:

**Category 1** consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the Township. Such funds must be maintained either as cash in the Township Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

**Category 2** consists of “inactive” funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

**Category 3** consists of “interim” funds – those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that 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 that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio); and
- Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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 it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Clerk/Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Depository Insurance Corporation (FDIC), or may pledge a pool of governmental securities, the face value of which is at least 105% of the total value of public monies on deposit at the institution.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."



West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

**Deposits** At year end, the carrying amount of the Township's deposits was \$15,983,578 and the bank balance was \$16,091,494. Of the bank balance, \$200,000 was covered by federal deposit insurance. The Township had specific pledged collateral for \$8,085,891 with the remaining \$7,805,603 being uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust departments in the Township's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

**Investments**

Category 1 Insured or registered, with securities held by the Township or its agent in the Township's name.

Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.

Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

The Township's Investments at December 31, 2003, are summarized below:

	Category <u>2</u>	Unclassified	Fair <u>Value</u>
Federal Home Loan Mortgage Corp. Notes	\$2,632,201	\$0	\$2,632,201
Federal Home Loan Bank Notes	4,127,570	0	4,127,570
Federal Farm Credit Bank Notes	1,141,567	0	1,141,567
Federal National Mortgage Assoc. Notes	3,263,958	0	3,263,958
Money Market Mutual Funds	0	34,497	34,497
U.S. Treasury Notes	225,820	0	225,820
	<u>\$11,391,116</u>	<u>\$34,497</u>	<u>\$11,425,613</u>

**Reconciliation of Cash, Cash Equivalents and Investments**

A reconciliation between classifications of cash and investments on the government wide financial statements and the classifications per GASB Statement No. 3 is as follows:

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

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

	Cash and Cash Equivalents	Investments
Equity in Pooled Cash and Cash Equivalents	\$27,409,191	\$0
Investments:		
Federal Home Loan Mortgage Corp. Notes	(2,632,201)	2,632,201
Federal Home Loan Bank Notes	(4,127,570)	4,127,570
Federal Farm Credit Bank Notes	(1,141,567)	1,141,567
Federal National Mortgage Assoc. Notes	(3,263,958)	3,263,958
Money Market Mutual Funds	(34,497)	34,497
U.S. Treasury Notes	(225,820)	225,820
GASB Statement No. 3	\$15,983,578	\$11,425,613

**Note 5 - Receivables**

Receivables at December 31, 2003, consisted primarily of accounts, accrued interest on investments intergovernmental receivables arising from entitlements, shared revenues, property and other taxes, payments in lieu of taxes, and special assessments receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Township. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

**Note 5 – Receivables (continued)**

The full tax rate for all Township operations for the year ended December 31, 2003, was \$13.09 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property – Residential, Agricultural and Other	\$1,507,298,740
Personal Property	187,632,839
Public Utility (Personal Property)	46,734,850
Total Valuation	\$1,741,666,429

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor were they levied to finance 2003 operations. The receivable is therefore offset by deferred revenue in the governmental fund financial statements presented on a modified accrual basis.

***B. Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	Amounts
Local Government and Local Government	
Revenue Assistance	\$890,742
Estate Tax	517,103
Homestead and Rollback	2,175,943
Senate Bill #3 Reimbursement	90,982
Gasoline and Excise Tax	62,733
Motor Vehicle License Tax	51,190
Ohio Public Employees' Retirement System Refunds	4,527
Emergency Medical Services Grant	5,993
School Resource Officer Program	55,199

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

**Note 5 – Receivables (continued)**

Homeland Security Detail	17,063
Fines, Fees and Forfeitures	11,698
Drug Enforcement Agency Payments	694
Speed Enforcement Grant	15,428
DUI Taskforce Grant	9,498
Bulletproof Vest Grant	4,148
Total	\$3,912,941

**Note 6 - Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2003, the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP.) Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTARMA is as follows:

Legal Liability	\$ 4,000,000	Per Occurrence
Automobile Liability	\$ 4,000,000	Per Occurrence
Law Enforcement Operations Coverage	\$ 4,000,000	Per Occurrence
Wrongful Acts Coverage	\$ 4,000,000	Per Occurrence
Property Coverage	\$14,678,412	Total Coverage
Boiler and Machinery Coverage	\$ 1,000,000	Limit

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

The Township has elected to provide employee medical/surgical benefits through United Healthcare. Employees share no cost of the monthly premium with the Township. The premiums vary with the employee, depending upon type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. The employees share 20% of the cost of the monthly premium with the Township. The Township through Union Central Life provides life insurance for employees at an amount determined by employee classification.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

**Note 7 - Capital Assets**

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 1/1/2003	Additions	Deductions	Balance 12/31/2003
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$16,400,198	\$0	\$0	\$16,400,198
Construction in Progress	7,861,962	3,217,597	0	11,079,559
Total Capital Assets, not being depreciated	<u>24,262,160</u>	<u>3,217,597</u>	<u>0</u>	<u>27,479,757</u>
Capital Assets, being Depreciated:				
Land Improvements	1,455,782	0	0	1,455,782
Buildings and Improvements	4,419,575	182,549	0	4,602,124
Infrastructure	53,754,903	78,666	0	53,833,569
Machinery and Equipment	9,113,401	531,896	(57,338)	9,587,959
Total Capital Assets, being Depreciated	<u>68,743,661</u>	<u>793,111</u>	<u>(57,338)</u>	<u>69,479,434</u>
Less Accumulated Depreciation:				
Land Improvements	708,282	67,659	0	775,941
Buildings and Improvements	1,221,235	96,791	0	1,318,026
Infrastructure	20,889,051	1,521,871	0	22,410,922
Machinery and Equipment	5,403,701	1,022,724	0	6,426,425
Total Accumulated Depreciation	<u>28,222,269</u>	<u>2,709,045</u>	<u>0</u>	<u>30,931,314</u>
Total Capital Assets, being Depreciated, Net	<u>40,521,392</u>	<u>(1,915,934)</u>	<u>(57,338)</u>	<u>38,548,120</u>
Governmental Activities Capital Assets, Net	<u>\$64,783,552</u>	<u>\$1,301,663</u>	<u>(\$57,338)</u>	<u>\$66,027,877</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$334,572
Public Safety	
Police	249,747
Fire and Emergency Medical Services	341,574
Economic Development	8
Public Works	1,603,132
Cemetery	12,445
Park and Recreation	16,930
Planning and Zoning	12,912
Community Television	137,725
Total Depreciation Expense	<u>\$2,709,045</u>

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

**Note 8 - Compensated Absences**

All full-time employees of the Township earn vacation at varying rates depending on length of service. Vacation hours are earned in one year and credited to the employee the following January 1. Employees may carry over a maximum of 40 hours of vacation leave from one year to another, without department head approval. Sick leave is accrued at the rate of 10 hours each month of service for all full-time employees.

Upon retirement or death, the employee, or his/her next of kin, as the case may be, will be eligible to receive payment for earned sick leave credit accumulated in excess of 210 days on a one-for-one basis at the employee's current rate of pay and, additionally, will receive up to ninety (90) days of earned sick leave credit to be paid at one-half (1/2) of the employees regular rate of pay (annual salary divided by 2,080 hours.)

From time to time, employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, with permission of the supervisor, an employee may have the option of taking the overtime in compensatory time at one and one half times the amount of hours worked.

**Note 9 - Long-Term Obligations**

A schedule of changes in bonds and other long-term obligations of the Township during 2003 follows:

	Amount Outstanding 1/1/2003	Additions	Deletions	Amount Outstanding 12/31/2003	Amounts Due in One Year
<u>Governmental Activities</u>					
<u>Unvoted General Obligation Bonds</u>					
2001 - 4.00% - 5.50%					
Various Purpose Refunding Bonds	\$11,120,000	\$0	(\$430,000)	\$10,690,000	\$450,000
2002 - 2.15% - 5.75%					
Various Purpose Bonds	15,015,000	0	(470,000)	14,545,000	485,000
2003 - 2.00% - 5.25%					
Various Purpose Bonds	0	12,200,000	0	12,200,000	420,000
<u>Other Long Term Obligations</u>					
Premium on 2002 G.O. Bonds	407,249	0	(17,706)	389,543	0
Premium on 2003 G.O. Bonds	0	184,279	0	184,279	0
Compensated Absences	827,359	190,113	0	1,017,472	383,597
Total Governmental Activities	<u>\$27,369,608</u>	<u>\$12,574,392</u>	<u>(\$917,706)</u>	<u>\$39,026,294</u>	<u>\$1,738,957</u>

The 2001 Various Purpose Refunding Bonds is a general obligation supported by the full faith and credit of the Township. These bonds will be retired from the Union Centre Boulevard Tax Incremental Financing Debt Service Fund using revenue generated from the Union Centre Boulevard Tax Incremental Financing District.

The 2002 Various Purpose General Obligation Bonds is a general obligation supported by the full faith credit of the Township. These bonds will be retired from the Community Television and the Fire and Emergency Medical Services Special Revenue Funds and the Union Centre Boulevard Tax Incremental Financing Debt Service Fund using revenue generated from the Union Centre Boulevard Tax Incremental Financing District.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

**Note 9 - Long-Term Obligations (continued)**

The 2003 Various Purpose General Obligation Bonds is a general obligation supported by the full faith credit of the Township. These bonds will be retired from the Union Centre Boulevard Tax Incremental Financing and the 747 Tax Incremental Financing Debt Service Funds using revenue generated from the Union Centre Boulevard and 474 Tax Incremental Financing Districts.

Compensated Absences will be paid from the General, Fire and Emergency Medical Services, Police, West Chester Community Television, and Road and Bridge funds.

The Township's overall legal debt margin was \$149,050,743 at December 31, 2003. Principal and interest requirements to retire the long-term debt obligations at December 31, 2003, are as follows:

2001 Various Purpose Refunding Bonds			
Years	Principal	Interest	Total
2004	\$450,000	\$505,020	\$955,020
2005	460,000	487,020	947,020
2006	480,000	468,620	948,620
2007	500,000	449,420	949,420
2008	515,000	429,420	944,420
2009-2013	2,915,000	1,795,908	4,710,908
2014-2018	3,645,000	1,021,925	4,666,925
2019-2020	1,725,000	130,500	1,855,500
	<u>\$10,690,000</u>	<u>\$5,287,833</u>	<u>\$15,977,833</u>

2002 Various Purpose General Obligation Bonds			
Years	Principal	Interest	Total
2004	\$485,000	\$720,278	\$1,205,278
2005	495,000	707,425	1,202,425
2006	510,000	691,833	1,201,833
2007	530,000	674,238	1,204,238
2008	550,000	654,098	1,204,098
2009-2013	3,105,000	2,905,733	6,010,733
2014-2018	4,000,000	2,006,025	6,006,025
2019-2023	3,885,000	773,835	4,658,835
2024-2025	985,000	74,500	1,059,500
	<u>\$14,545,000</u>	<u>\$9,207,965</u>	<u>\$23,752,965</u>

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

**Note 9 - Long-Term Debt Obligations (continued)**

2003 Various Purpose General Obligation Bonds			
Years	Principal	Interest	Total
2004	\$420,000	\$513,137	\$933,137
2005	425,000	504,738	929,738
2006	435,000	496,237	931,237
2007	440,000	487,537	927,537
2008	455,000	477,196	932,196
2009-2013	2,490,000	2,165,569	4,655,569
2014-2018	3,035,000	1,624,302	4,659,302
2019-2023	2,790,000	793,764	3,583,764
2024-2028	1,710,000	264,750	1,974,750
	\$12,200,000	\$7,327,230	\$19,527,230

**Note 10 – Short-Term Debt Obligations**

A summary of the short-term note transactions for the year ended December 31, 2003 follows:

<u>Fund/Issue</u>	<u>Amount Outstanding 1/1/2003</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding 12/31/2003</u>
Major Fund				
<b>Union Centre Boulevard Tax</b>				
<b>Incremental Financing Fund</b>				
Road Improvement Note - 2.75%	\$2,000,000	\$0	\$2,000,000	\$0
Road Improvement Note – 2.81%	0	2,000,000	2,000,000	0
Total	\$2,000,000	\$2,000,000	\$4,000,000	\$0

**Note 11 - Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

All Township full-time employees, other than firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employers contributions (employer contributions vest over five years at 20% per year.) Under the member directed plan, members accumulate retirement assets equal to the value of the member and multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.



**Note 11 - Defined Benefit Pension Plans (continued)**

OPERS provides retirement disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than law enforcement employees, are required to contribute 8.5% of their annual covered salary. In January 2001, House Bill 416 divided the OPERS law enforcement programs into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and Township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The Township was required to contribute 13.55% of covered payroll for employees and 16.70% for employees engaged in law enforcement and public safety, of which 5% was used to fund healthcare. The Township's required contribution to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$875,584, \$818,928, and \$985,666, respectively, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 97 percent has been contributed for 2003, with the remainder being reflected as an intergovernmental payable.

***B. Ohio Police and Fire Pension Fund***

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215.

The Ohio Revised Code provides statutory authority for employee and employer contribution. Plan members are required to contribute 10 percent of their annual covered salary while the Township was required to contribute 24 percent for firefighters. The Township's required contributions to the Fund for the years ended December 31, 2003, 2002, and 2001 were \$672,738, \$441,824, and \$442,161, respectively. The full amount has been contributed for 2002 and 2001. 97 percent has been contributed for 2003, with the remainder being reflected as an intergovernmental payable.

**Note 12 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System of Ohio (OPERS) provides post-employment health care coverage to age and service employees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2003 employer contribution rate was 13.31 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPER's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active participants was 364,881. The portion of the Township's 2003 contributions that were used to fund postemployment benefits was approximately \$415,349. At December 31, 2003, the actuarial value of the Retirement System's net assets available for OPERS was \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost methods used, were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

**Note 12 - Postemployment Benefits (continued)**

***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides post-employment health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a two-thirds basis.

The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide post-employment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 2001, (the latest information available) was 13,174 for police and 10,239 for firefighters. The Fund's total health care expensed for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699. The Township's actual contributions for 2003 that were used to fund OPEB were approximately \$305,790.

**Note 13 – Transfers**

The Township made the following transfers during 2003:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$0	\$100,000
UCB TIF Capital Fund	54,847	
Nonmajor Funds:		
Cemetery Special Revenue Fund	100,000	0
UCB TIF Debt Service Fund		54,847
Total	\$154,847	\$154,847

The General fund transferred \$100,000 to the Cemetery fund for operating expenditures not covered by Cemetery fund revenue. A transfer of \$54,847 was created in applying generally accepted accounting principles to properly reflect the debt service payment activity that occurred during the year.

**Note 14 - Contingent Liabilities**

***A. Litigation***

West Chester Township is a party to several legal proceedings seeking damages. The Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

West Chester Township  
Butler County, Ohio  
Notes To The Basic Financial Statements  
For the Year Ended December 31, 2003

---

**Note 14 - Contingent Liabilities (continued)**

***B. Federal and State Grants***

The Township participates in federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2003, audits of certain programs have not been completed. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date.

**Note 15 – Significant Contractual Commitments**

As of December 31, 2003, the Township had contractual commitments related to property, plant and equipment improvements and additions, as well as various other contracts and agreements to provide or receive services related to the operations of the Township. The list below reflects the major contracts that comprise commitments at December 31, 2003:

Description	Remaining Contractual Commitment
Empire Building Co, LLC	\$ 935,083
ESI, Inc.	672,534
Kenneth R. Rogers Plumbing	106,627
Kurzhaus	405,844
Progressive Plumbing	361,079
Shaw Contract Flooring dba Spectra Contract Flooring	199,464
VFP Fire Systems	<u>7,025</u>
Total	<u>\$ 2,687,658</u>

**Note 16 – Related Organization**

The Community Improvement Corporation (CIC) is a related organization to the Township. The Township Trustees serve on the CIC Board and appoint one additional Board member; however, the Township Trustees cannot influence the CIC's operations, nor does the CIC represent a potential financial benefit or burden to the Township. The Township did not make any financial contributions to the CIC during fiscal year 2003. The CIC keeps its own financial records and determines its own budget. Financial information for the CIC may be obtained by writing to the Treasurer, John Walkenhorst, at 9100 Centre Pointe Drive, Suite 140, West Chester, OH 45069.

**Note 17 - Subsequent Event**

On May 5, 2004, the Township issued \$3,725,000 in variable rate tax increment financing revenue bonds for the Streets of West Chester development project. The bonds will be paid from payments in lieu of taxes received by the Township from the parcels contained within the project boundaries.

REQUIRED  
SUPPLEMENTARY  
INFORMATION



West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Property and Other Taxes	\$1,392,000	\$1,392,000	\$1,548,978	\$156,978
Licenses, Permits, and Fees	134,000	90,000	99,033	9,033
Fines and Forfeitures	90,000	200,000	252,796	52,796
Intergovernmental	2,400,000	2,400,000	2,141,541	(258,459)
Contributions and Donations	0	168,000	104,212	(63,788)
Interest	350,000	250,000	271,871	21,871
Other	176,000	125,000	33,615	(91,385)
Total Revenue	4,542,000	4,625,000	4,452,046	(172,954)
Expenditures				
Current				
General Government				
Administration	1,627,000	1,775,689	1,713,727	61,962
Buildings and Grounds	0	8,365	0	8,365
Communication, Information, & Tech	395,000	474,034	441,403	32,631
Services Department	390,000	446,400	400,717	45,683
Total General Government	2,412,000	2,704,488	2,555,847	148,641
Public Works				
Street Lighting	50,000	55,000	44,379	10,621
Parks and Recreation	822,500	935,042	825,936	109,106
Planning and Zoning	506,000	545,314	480,249	65,065
Economic Development	207,000	215,950	208,943	7,007
Capital Outlay	460,500	619,207	180,132	439,075
Total Expenditures	4,458,000	5,075,001	4,295,486	779,515
Excess of Revenues Under Expenditures	84,000	(450,001)	156,560	606,561
Other Financing Uses				
Transfers - Out	(100,000)	(168,000)	(100,000)	68,000
Total Other Financing Uses	(100,000)	(168,000)	(100,000)	68,000
Net Change in Fund Balance	(16,000)	(618,001)	56,560	674,561
Fund Balance at Beginning of Year	618,019	618,019	618,019	0
Prior Year Encumbrances Appropriated	237,932	237,932	237,932	0
Fund Balance at End of Year	\$839,951	\$237,950	\$912,511	\$674,561

See accompanying notes to the required supplementary information

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes	\$9,569,000	\$9,569,000	\$9,359,609	(\$209,391)
Intergovernmental	1,000,000	1,000,000	1,145,804	145,804
Contributions and Donations	0	0	593	593
Other	80,000	80,000	97,649	17,649
Total Revenue	<u>10,649,000</u>	<u>10,649,000</u>	<u>10,603,655</u>	<u>(45,345)</u>
Expenditures				
Current				
Police	<u>8,535,266</u>	<u>14,268,866</u>	<u>7,911,251</u>	<u>6,357,615</u>
Total Public Safety	<u>8,535,266</u>	<u>14,268,866</u>	<u>7,911,251</u>	<u>6,357,615</u>
Capital Outlay	<u>596,734</u>	<u>596,734</u>	<u>174,067</u>	<u>422,667</u>
Total Expenditures	<u>9,132,000</u>	<u>14,865,600</u>	<u>8,085,318</u>	<u>6,780,282</u>
Excess Of Revenues Under Expenditures	<u>1,517,000</u>	<u>(4,216,600)</u>	<u>2,518,337</u>	<u>6,734,937</u>
Other Financing Uses				
Net Change in Fund Balance	1,517,000	(4,216,600)	2,518,337	6,734,937
Fund Balance at Beginning of Year	4,216,600	4,216,600	4,216,600	0
Prior Year Encumbrances Appropriated	<u>140,600</u>	<u>140,600</u>	<u>140,600</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,874,200</u>	<u>\$140,600</u>	<u>\$6,875,537</u>	<u>\$6,734,937</u>

See accompanying notes to the required supplementary information



West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire and Emergency Medical Services Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes	\$5,700,000	\$5,600,000	\$5,613,526	\$13,526
Intergovernmental	700,000	700,000	689,208	(10,792)
Contributions and Donations	11,000	11,000	22,160	11,160
Other	100,000	200,000	20,152	(179,848)
Total Revenue	<u>6,511,000</u>	<u>6,511,000</u>	<u>6,345,046</u>	<u>(165,954)</u>
Expenditures				
Current				
Public Safety				
Fire and EMS	6,763,000	8,193,772	6,241,129	1,952,643
Total Public Safety	<u>6,763,000</u>	<u>8,193,772</u>	<u>6,241,129</u>	<u>1,952,643</u>
Capital Outlay	400,000	460,228	284,220	176,008
Debt Services				
Principal Retirement	55,000	55,000	50,000	5,000
Interest and Fiscal Charges	71,000	71,000	70,038	962
Total Expenditures	<u>7,289,000</u>	<u>8,780,000</u>	<u>6,645,387</u>	<u>2,134,613</u>
Excess of Revenues Under Expenditures	<u>(778,000)</u>	<u>(2,269,000)</u>	<u>(300,341)</u>	<u>1,968,659</u>
Other Financing Uses				
Net Change in Fund Balance	(778,000)	(2,269,000)	(300,341)	1,968,659
Fund Balance at Beginning of Year	2,269,447	2,269,447	2,269,447	0
Prior Year Encumbrances Appropriated	443,101	443,101	443,101	0
Fund Balance at End of Year	<u>\$1,934,548</u>	<u>\$443,548</u>	<u>\$2,412,207</u>	<u>\$1,968,659</u>

See accompanying notes to the required supplementary information

West Chester Township  
Butler County, Ohio  
Notes To The Required Supplementary Information  
For the Year Ended December 31, 2003

---

**Note 1 - Summary of Significant Accounting Policies**

***A. Budgets***

An annual appropriated budget is legally required to be prepared for all funds of the Township, except the Park Acquisition capital projects fund although presented in the individual fund schedules. The Board passes appropriations at the fund/department level. The following are the procedures used by the Township in establishing the budgetary data reported in the basic financial statements. The Township is not required to budget for discretely presented component units.

***Tax Budget*** A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

***Estimated Resources*** The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the Township by October 1. As part of this certification, the Township receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

***Appropriations*** A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by action of the Board, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, three supplemental appropriation measures were passed. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

West Chester Township  
Butler County, Ohio  
Notes To The Required Supplementary Information  
For the Year Ended December 31, 2003

---

**Encumbrances** As part of formal budgetary control purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures of governmental funds.

The discretely presented component unit does not record outstanding encumbrances as a reservation of fund balance at year-end.

**Budgetary Basis of Accounting** While the Township is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Proceeds from short-term note obligations are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the Township's major funds.

	General Fund	Police Fund	Fire and EMS Fund
GAAP Basis	\$64,266	\$2,421,992	(\$270,370)
Adjustments:			
Revenue Accruals	52,198	2,745	(13,413)
Expenditure Accruals	891,649	119,689	67,267
Debt Activity	0	0	(50,000)
Encumbrances	(951,553)	(26,089)	(33,825)
Budget Basis	\$56,560	\$2,518,337	(\$300,341)



Combining  
Statements and  
Individual Fund  
Schedules



Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

West Chester Community Television

To account for cable franchise fees for the operation of the community television channel.

Motor Vehicle License Tax

To account for additional motor vehicle license tax levied by Butler County for routine road maintenance and repairs.

Gasoline Tax

To account for the gasoline tax fees used for routine maintenance of state highways within the Township.

Road and Bridge

To account for property taxes used for routine maintenance of roads and bridges in the Township.

Cemetery

To account for monies received for the operation and maintenance of the cemeteries.

Union Centre Boulevard Tax Increment Equivalent

To account for payments received in lieu of taxes on property located in the Union Centre Boulevard tax incremental financing district.

State Route 747 Tax Increment Equivalent

To account for payments received in lieu of taxes on property located in the State Route 747 tax incremental financing district.

Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions. This money may be used in any drug law enforcement activity.

Township Motor Vehicle License Tax

To account for the additional license tax levied by the Township for routine maintenance and repairs of Township roads.

Enforcement and Education

To account for fines for the purpose of enforcing and educating the public about laws governing operation of a motor vehicle while under the influence of alcohol.

Combining Statements – Nonmajor Governmental Funds  
(Continued)

Local Law Enforcement Block Grant

To account for grant monies received from the Local Law Enforcement Block Grant

FEMA Grant

To account for grant monies received from the Federal Emergency Management Agency.

Street Lighting Special Assessment

To account for assessments levied on property owners for the purpose of street lights within the Township.

Cemetery Bequest

To account for donations received to help in the maintenance of the Township cemetery.

Park Trust

To account for donations and contributions received to support the development of parks and to enhance the recreational opportunities available to Township residents.

Firing Range Trust

To account for fees collected from various law enforcement agencies from the lease of the firing range operated by the Township.

NONMAJOR DEBT SERVICE FUNDS

Union Centre Boulevard Tax Incremental Financing

To account for payments in lieu of taxes to pay for general obligation bonded debt.

State Route 747 Tax Incremental Financing

To account for payments in lieu of taxes to pay for general obligation bonded debt.



**This Page is Intentionally Left Blank.**

West Chester Township  
Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ 4,791,856	\$ 3,610,768	\$ 8,402,624
Receivables			
Taxes-Real & Personal Property	925,446	0	925,446
Payments in Lieu of Taxes	3,079,220	3,005,246	6,084,466
Accounts	103,531	0	103,531
Intergovernmental	233,518	0	233,518
Special Assessments	256,806	0	256,806
Prepaid Items	60,455	0	60,455
	<u>9,450,832</u>	<u>6,616,014</u>	<u>16,066,846</u>
Total Assets and Other Debits			
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	67,148	0	67,148
Accrued Wages and Benefits	29,545	0	29,545
Compensated Absences Payable	3,486	0	3,486
Due to Others	451,119	0	451,119
Deferred Revenue	4,584,490	3,005,246	7,589,736
	<u>5,135,788</u>	<u>3,005,246</u>	<u>8,141,034</u>
Total Liabilities			
<u>Fund Balances</u>			
Reserved for Encumbrances	131,861	0	131,861
Reserved for Prepaid Items	60,455	0	60,455
Unreserved, Undesignated Reported in:			
Special Revenue	4,122,728	0	4,122,728
Debt Service	0	3,610,768	3,610,768
	<u>4,315,044</u>	<u>3,610,768</u>	<u>7,925,812</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 9,450,832</u>	<u>\$ 6,616,014</u>	<u>\$ 16,066,846</u>

West Chester Township  
Butler County, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Property and Other Taxes	\$1,581,387	\$0	\$1,581,387
Payment in Lieu of Taxes	1,667,946	3,343,124	5,011,070
Charges for Services	45,875	0	45,875
Licenses and Permits	339,527	0	339,527
Fines and Forfeitures	34,893	0	34,893
Intergovernmental	323,042	0	323,042
Special Assessments	274,674	0	274,674
Contributions and Donations	16,077	0	16,077
Interest	13,132	0	13,132
Other	17,334	11,460	28,794
<b>Total Revenues</b>	<b>4,313,887</b>	<b>3,354,584</b>	<b>7,668,471</b>
<u>Expenditures</u>			
<i>Current:</i>			
General Government	737,545	0	737,545
Public Safety			
Police	36,501	0	36,501
Public Works	1,748,679	0	1,748,679
Cemetery	176,259	0	176,259
Parks and Recreation	9,608	0	9,608
Community Television	334,115	0	334,115
Capital Outlay	1,192,518	0	1,192,518
Debt Service			
Principal Retirement	35,000	0	35,000
Interest and Fiscal Charges	46,718	579,384	626,102
<b>Total Expenditures</b>	<b>4,316,943</b>	<b>579,384</b>	<b>4,896,327</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,056)	2,775,200	2,772,144
Other Financing Sources (Uses)			
Transfers In	100,000	0	100,000
Transfers Out	0	(54,847)	(54,847)
<b>Total Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>(54,847)</b>	<b>45,153</b>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	96,944	2,720,353	2,817,297
Fund Balances at Beginning of Year	4,218,100	890,415	5,108,515
Fund Balances at End of Year	<u>\$ 4,315,044</u>	<u>\$ 3,610,768</u>	<u>\$ 7,925,812</u>

West Chester Township  
Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003

	Community Television	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	UCB Tax Increment Financing	State Route 747 Tax Increment Financing
<u>Assets</u>							
Equity in Pooled Cash and Cash Equivalents	\$ 457,728	\$ 43,054	\$ 52,415	\$ 103,294	\$ 24,977	\$ 2,620,556	\$ 938,614
Receivables:							
Taxes	0	0	0	895,003	0	0	0
Accounts	103,531	0	0	0	0	0	0
Due from Other Governments	0	51,190	62,733	119,595	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0
Prepaid Items	6,428	0	0	50,754	3,273	0	0
Payments in Lieu of Taxes Receivable	0	0	0	0	0	1,191,905	1,887,315
<b>Total Assets</b>	<b>567,687</b>	<b>94,244</b>	<b>115,148</b>	<b>1,168,646</b>	<b>28,250</b>	<b>3,812,461</b>	<b>2,825,929</b>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	1,661	0	2,117	40,765	963	0	0
Accrued Wages and Benefits	4,686	0	0	21,898	2,961	0	0
Compensated Absences Payable	1,056	0	0	2,430	0	0	0
Due to Other Governments	6,668	0	0	36,230	4,807	0	403,414
Deferred Revenue	103,531	47,393	52,499	1,014,598	0	1,191,905	1,887,315
<b>Total Liabilities</b>	<b>117,602</b>	<b>47,393</b>	<b>54,616</b>	<b>1,115,921</b>	<b>8,731</b>	<b>1,191,905</b>	<b>2,290,729</b>
<u>Fund Balances</u>							
Reserved for Encumbrances	4,139	21,491	5,441	6,482	0	0	36,000
Reserved for Prepays	6,428	0	0	50,754	3,273	0	0
Undesignated, Reported in Special Revenue Funds	439,518	25,360	55,091	(4,511)	16,246	2,620,556	499,200
<b>Total Fund Balances</b>	<b>450,085</b>	<b>46,851</b>	<b>60,532</b>	<b>52,725</b>	<b>19,519</b>	<b>2,620,556</b>	<b>535,200</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 567,687</b>	<b>\$ 94,244</b>	<b>\$ 115,148</b>	<b>\$ 1,168,646</b>	<b>\$ 28,250</b>	<b>\$ 3,812,461</b>	<b>\$ 2,825,929</b>

Drug Law Enforcement	Township Motor Vehicle License Tax	Enforcement & Education	Law Enforcement Block Grant	Street Lighting	Cemetery Bequest	Park Trust	Firing Range Trust	Total Nonmajor Special Revenue Funds
\$ 107,475	\$ 235,294	\$ 17,675	\$ 20,544	\$ 145,466	\$ 14,245	\$ 8,694	\$ 1,825	\$ 4,791,856
0	30,443	0	0	0	0	0	0	925,446
0	0	0	0	0	0	0	0	103,531
0	0	0	0	0	0	0	0	233,518
0	0	0	0	256,806	0	0	0	256,806
0	0	0	0	0	0	0	0	60,455
0	0	0	0	0	0	0	0	3,079,220
<u>107,475</u>	<u>265,737</u>	<u>17,675</u>	<u>20,544</u>	<u>402,272</u>	<u>14,245</u>	<u>8,694</u>	<u>1,825</u>	<u>9,450,832</u>
2,920	2,989	0	0	15,733	0	0	0	67,148
0	0	0	0	0	0	0	0	29,545
0	0	0	0	0	0	0	0	3,486
0	0	0	0	0	0	0	0	451,119
0	30,443	0	0	256,806	0	0	0	4,584,490
<u>2,920</u>	<u>33,432</u>	<u>0</u>	<u>0</u>	<u>272,539</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,135,788</u>
52,505	3,700	0	0	0	0	2,103	0	131,861
0	0	0	0	0	0	0	0	60,455
<u>52,050</u>	<u>228,605</u>	<u>17,675</u>	<u>20,544</u>	<u>129,733</u>	<u>14,245</u>	<u>6,591</u>	<u>1,825</u>	<u>4,122,728</u>
<u>104,555</u>	<u>232,305</u>	<u>17,675</u>	<u>20,544</u>	<u>129,733</u>	<u>14,245</u>	<u>8,694</u>	<u>1,825</u>	<u>4,315,044</u>
<u>\$ 107,475</u>	<u>\$ 265,737</u>	<u>\$ 17,675</u>	<u>\$ 20,544</u>	<u>\$ 402,272</u>	<u>\$ 14,245</u>	<u>\$ 8,694</u>	<u>\$ 1,825</u>	<u>\$ 9,450,832</u>

West Chester Township  
Butler County, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003

	Community Television	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery
<u>Revenues</u>					
Taxes	\$0	\$0	\$0	\$1,180,379	\$0
Charges for Services	0	0	0	0	44,925
Licenses and Permits	301,700	0	0	0	37,827
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	80,120	87,318	146,275	0
Special Assessments	0	0	0	0	0
Interest	0	916	548	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	1,038	6,175	0	8,821	1,300
Total Revenues	<u>302,738</u>	<u>87,211</u>	<u>87,866</u>	<u>1,335,475</u>	<u>84,052</u>
<u>Expenditures</u>					
General Government	0	0	0	0	0
Public Safety					
Police	0	0	0	0	0
Public Works	0	1,223	56,228	1,271,831	0
Cemetery	0	0	0	0	176,179
Parks and Recreation	0	0	0	0	0
Community Television	334,115	0	0	0	0
Capital Outlay	18,735	76,854	0	129,426	8,097
Debt Service					
Principal Retirement	35,000	0	0	0	0
Interest and Fiscal Charges	46,718	0	0	0	0
Total Expenditures	<u>434,568</u>	<u>78,077</u>	<u>56,228</u>	<u>1,401,257</u>	<u>184,276</u>
Excess of Revenues Over (Under) Expenditures	<u>(131,830)</u>	<u>9,134</u>	<u>31,638</u>	<u>(65,782)</u>	<u>(100,224)</u>
<u>Other Financing Sources</u>					
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balance	(131,830)	9,134	31,638	(65,782)	(224)
Fund Balances Beginning of Year	<u>581,915</u>	<u>37,717</u>	<u>28,894</u>	<u>118,507</u>	<u>19,743</u>
Fund Balances End of Year	<u>\$450,085</u>	<u>\$46,851</u>	<u>\$60,532</u>	<u>\$52,725</u>	<u>\$19,519</u>

<u>UCB Tax Increment Financing</u>	<u>State Route 747 Tax Increment Financing</u>	<u>Drug Law Enforcement</u>	<u>Township Motor Vehicle License Tax</u>	<u>Enforcement &amp; Education</u>	<u>Law Enforcement Block Grant</u>
\$0	\$0	\$0	\$401,008	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	24,801	0	10,092	0
0	0	0	0	0	9,329
0	0	0	0	0	0
0	0	0	11,133	0	0
1,053,718	614,228	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,053,718</u>	<u>614,228</u>	<u>24,801</u>	<u>412,141</u>	<u>10,092</u>	<u>9,329</u>
0	737,545	0	0	0	0
0	0	35,465	0	761	0
26,815	0	0	172,450	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	959,406	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>26,815</u>	<u>737,545</u>	<u>35,465</u>	<u>1,131,856</u>	<u>761</u>	<u>0</u>
<u>1,026,903</u>	<u>(123,317)</u>	<u>(10,664)</u>	<u>(719,715)</u>	<u>9,331</u>	<u>9,329</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,026,903	(123,317)	(10,664)	(719,715)	9,331	9,329
<u>1,593,653</u>	<u>658,517</u>	<u>115,219</u>	<u>952,020</u>	<u>8,344</u>	<u>11,215</u>
<u>\$2,620,556</u>	<u>\$535,200</u>	<u>\$104,555</u>	<u>\$232,305</u>	<u>\$17,675</u>	<u>\$20,544</u>

West Chester Township  
Butler County, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003

	Street Lighting	Cemetery Bequest	Park Trust	Firing Range Trust	Total Nonmajor Special Revenue Funds
<u>Revenues</u>					
Taxes	\$0	\$0	\$0	\$0	\$1,581,387
Charges for Services	0	0	0	950	45,875
Licenses and Permits	0	0	0	0	339,527
Fines and Forfeitures	0	0	0	0	34,893
Intergovernmental	0	0	0	0	323,042
Special Assessments	274,674	0	0	0	274,674
Interest	0	535	0	0	13,132
Payments in Lieu of Taxes	0	0	0	0	1,667,946
Contributions and Donations	0	0	16,077	0	16,077
Other	0	0	0	0	17,334
<b>Total Revenues</b>	<b>274,674</b>	<b>535</b>	<b>16,077</b>	<b>950</b>	<b>4,313,887</b>
<u>Expenditures</u>					
General Government	0	0	0	0	737,545
Public Safety					
Police	0	0	0	275	36,501
Public Works	220,132	0	0	0	1,748,679
Cemetery	0	80	0	0	176,259
Parks and Recreation	0	0	9,608	0	9,608
Community Television	0	0	0	0	334,115
Capital Outlay	0	0	0	0	1,192,518
Debt Service					
Principal Retirement	0	0	0	0	35,000
Interest and Fiscal Charges	0	0	0	0	46,718
<b>Total Expenditures</b>	<b>220,132</b>	<b>80</b>	<b>9,608</b>	<b>275</b>	<b>4,316,943</b>
Excess of Revenues Over (Under) Expenditures	54,542	455	6,469	675	(3,056)
<u>Other Financing Sources</u>					
Transfers In	0	0	0	0	100,000
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>
<b>Net Change in Fund Balance</b>	<b>54,542</b>	<b>455</b>	<b>6,469</b>	<b>675</b>	<b>96,944</b>
Fund Balances Beginning of Year	75,191	13,790	2,225	1,150	4,218,100
<b>Fund Balances End of Year</b>	<b>\$129,733</b>	<b>\$14,245</b>	<b>\$8,694</b>	<b>\$1,825</b>	<b>\$4,315,044</b>



West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
West Chester Community Television Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Franchise Fees	\$504,000	\$503,000	\$396,132	(\$106,868)
Other	0	1,000	1,038	38
Total Revenue	<u>504,000</u>	<u>504,000</u>	<u>397,170</u>	<u>(106,830)</u>
<u>Expenditures</u>				
<i>Current:</i>				
Community Television	418,000	837,600	339,330	498,270
Capital Outlay	0	29,000	18,735	10,265
<i>Debt Service</i>				
Principal Retirement	35,000	35,000	35,000	0
Interest and Fiscal Charges	47,000	47,000	46,718	282
Total Expenditures	<u>500,000</u>	<u>948,600</u>	<u>439,783</u>	<u>508,817</u>
Excess of Revenues Under Expenditures	<u>4,000</u>	<u>(444,600)</u>	<u>(42,613)</u>	<u>401,987</u>
Other Financing Uses				
Net Change in Fund Balance	4,000	(444,600)	(42,613)	401,987
Fund Balance at Beginning of Year	444,684	444,684	444,684	0
Prior Year Encumbrances Appropriated	50,723	50,723	50,723	0
Fund Balance at End of Year	<u>\$499,407</u>	<u>\$50,807</u>	<u>\$452,794</u>	<u>\$401,987</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Motor Vehicle License Tax Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<u>Revenues</u>				
Intergovernmental	\$76,000	\$76,000	\$79,948	\$3,948
Interest	900	900	963	63
Other	6,100	6,100	6,175	75
Total Revenue	<u>83,000</u>	<u>83,000</u>	<u>87,086</u>	<u>4,086</u>
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Roads and Bridges	10,000	10,000	1,223	8,777
Capital Outlay	<u>73,000</u>	<u>106,900</u>	<u>98,345</u>	<u>8,555</u>
Total Expenditures	<u>83,000</u>	<u>116,900</u>	<u>99,568</u>	<u>17,332</u>
Excess Of Revenues Under Expenditures	<u>0</u>	<u>(33,900)</u>	<u>(12,482)</u>	<u>21,418</u>
Net Change in Fund Balance	0	(33,900)	(12,482)	21,418
Fund Balance at Beginning of Year	<u>33,970</u>	<u>33,970</u>	<u>33,970</u>	<u>0</u>
Fund Balance at End of Year	<u>\$33,970</u>	<u>\$70</u>	<u>\$21,488</u>	<u>\$21,418</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Gasoline Tax Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<u>Revenues</u>				
Intergovernmental	\$52,000	\$52,000	\$79,921	\$27,921
Interest	0	0	553	553
Total Revenue	<u>52,000</u>	<u>52,000</u>	<u>80,474</u>	<u>28,474</u>
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Roads and Bridges	51,000	77,000	61,127	15,873
Total Expenditures	<u>51,000</u>	<u>77,000</u>	<u>61,127</u>	<u>15,873</u>
Excess Of Revenues Over (Under) Expenditures	<u>1,000</u>	<u>(25,000)</u>	<u>19,347</u>	<u>44,347</u>
Net Change in Fund Balance	1,000	(25,000)	19,347	44,347
Fund Balance at Beginning of Year	25,257	25,257	25,257	0
Prior Year Encumbrances Appropriated	<u>908</u>	<u>908</u>	<u>908</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$27,165</u></u>	<u><u>\$1,165</u></u>	<u><u>\$45,512</u></u>	<u><u>\$44,347</u></u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Road and Bridge Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Property and Other Taxes	\$1,280,000	\$1,280,000	\$1,180,379	(\$99,621)
Intergovernmental	100,000	100,000	146,275	46,275
Other	10,000	10,000	8,821	(1,179)
Total Revenue	1,390,000	1,390,000	1,335,475	(54,525)
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Roads and Bridges	1,063,000	1,351,800	1,238,913	112,887
Capital Outlay	200,000	171,100	168,965	2,135
Total Expenditures	1,263,000	1,522,900	1,407,878	115,022
Excess Of Revenues Under Expenditures	127,000	(132,900)	(72,403)	60,497
Net Change in Fund Balance	127,000	(132,900)	(72,403)	60,497
Fund Balance at Beginning of Year	132,984	132,984	132,984	0
Prior Year Encumbrances Appropriated	3,172	3,172	3,172	0
Fund Balance at End of Year	\$263,156	\$3,256	\$63,753	\$60,497

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Cemetery Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Licenses, Permits, and Fees	\$35,000	\$35,000	\$37,827	\$2,827
Charges for Services	55,000	55,000	44,925	(10,075)
Other	5,000	5,000	1,300	(3,700)
Total Revenue	<u>95,000</u>	<u>95,000</u>	<u>84,052</u>	<u>(10,948)</u>
<u>Expenditures</u>				
<i>Current:</i>				
Cemetery	197,000	209,600	175,378	34,222
Capital Outlay	5,000	9,400	8,097	1,303
Total Expenditures	<u>202,000</u>	<u>219,000</u>	<u>183,475</u>	<u>35,525</u>
Excess Of Revenues Under Expenditures	<u>(107,000)</u>	<u>(124,000)</u>	<u>(99,423)</u>	<u>24,577</u>
Other Financing Sources:				
Transfers - In	100,000	100,000	100,000	0
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	(7,000)	(24,000)	577	24,577
Fund Balance at Beginning of Year	<u>24,399</u>	<u>24,399</u>	<u>24,399</u>	<u>0</u>
Fund Balance at End of Year	<u>\$17,399</u>	<u>\$399</u>	<u>\$24,976</u>	<u>\$24,577</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Union Centre Boulevard Tax Increment Equivalent Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Payments in Lieu of Property Taxes	\$2,000,000	\$2,000,000	\$1,053,718	(\$946,282)
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Roads and Bridges	3,500,000	3,593,500	26,815	3,566,685
Net Change in Fund Balance	(1,500,000)	(1,593,500)	1,026,903	2,620,403
Fund Balance at Beginning of Year	<u>1,593,653</u>	<u>1,593,653</u>	<u>1,593,653</u>	<u>0</u>
Fund Balance at End of Year	<u>\$93,653</u>	<u>\$153</u>	<u>\$2,620,556</u>	<u>\$2,620,403</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Route 747 Tax Increment Equivalent Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Payments in Lieu of Property Taxes	\$1,400,000	\$1,400,000	\$614,228	(\$785,772)
<u>Expenditures</u>				
<i>Current:</i>				
General Government Administration	500,000	400,000	370,131	29,869
Public Works Roads and Bridges	1,500,000	1,658,500	0	1,658,500
Total Expenditures	<u>2,000,000</u>	<u>2,058,500</u>	<u>370,131</u>	<u>1,688,369</u>
Net Change in Fund Balance	(600,000)	(658,500)	244,097	902,597
Fund Balance at Beginning of Year	<u>658,518</u>	<u>658,518</u>	<u>658,518</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$58,518</u></u>	<u><u>\$18</u></u>	<u><u>\$902,615</u></u>	<u><u>\$902,597</u></u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and Forfeitures	\$20,000	\$20,000	\$25,366	\$5,366
<u>Expenditures</u>				
<i>Current:</i>				
Public Safety Police	100,000	134,600	87,970	46,630
Net Change in Fund Balance	(80,000)	(114,600)	(62,604)	51,996
Fund Balance at Beginning of Year	114,654	114,654	114,654	0
Fund Balance at End of Year	<u>\$34,654</u>	<u>\$54</u>	<u>\$52,050</u>	<u>\$51,996</u>



West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Township Motor Vehicle License Tax Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Property and Other Taxes	\$540,000	\$540,000	\$429,818	(\$110,182)
Interest	23,000	23,000	14,109	(8,891)
Total Revenue	<u>563,000</u>	<u>563,000</u>	<u>443,927</u>	<u>(119,073)</u>
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Roads and Bridges	178,646	178,646	178,339	307
Capital Outlay	<u>593,354</u>	<u>968,354</u>	<u>968,332</u>	<u>22</u>
Total Expenditures	<u>772,000</u>	<u>1,147,000</u>	<u>1,146,671</u>	<u>329</u>
Net Change in Fund Balance	(209,000)	(584,000)	(702,744)	(118,744)
Fund Balance at Beginning of Year	584,406	584,406	584,406	0
Prior Year Encumbrances Appropriated	<u>346,543</u>	<u>346,543</u>	<u>346,543</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$721,949</u></u>	<u><u>\$346,949</u></u>	<u><u>\$228,205</u></u>	<u><u>(\$118,744)</u></u>

West Chester Township  
 Butler County, Ohio  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Enforcement and Education Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and Forfeitures	\$8,000	\$8,000	\$10,343	\$2,343
<u>Expenditures</u>				
<i>Current:</i>				
Public Safety				
Police	10,000	16,000	761	15,239
Net Change in Fund Balance	(2,000)	(8,000)	9,582	17,582
Fund Balance at Beginning of Year	8,094	8,094	8,094	0
Fund Balance at End of Year	<u>\$6,094</u>	<u>\$94</u>	<u>\$17,676</u>	<u>\$17,582</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Local Law Enforcement Block Grant Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$0	\$0	\$9,329	\$9,329
<u>Expenditures</u>				
Capital Outlay	11,215	11,215	0	11,215
Net Change in Fund Balance	(11,215)	(11,215)	9,329	20,544
Fund Balance at Beginning of Year	11,215	11,215	11,215	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$20,544</u>	<u>\$20,544</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Lighting Special Assessment Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Special Assessments	\$250,000	\$274,000	\$274,674	\$674
<u>Expenditures</u>				
<i>Current:</i>				
Public Works				
Street Lighting	250,000	350,000	205,568	144,432
Net Change in Fund Balance	0	(76,000)	69,106	145,106
Fund Balance at Beginning of Year	76,357	76,357	76,357	0
Fund Balance at End of Year	<u>\$76,357</u>	<u>\$357</u>	<u>\$145,463</u>	<u>\$145,106</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Cemetery Bequest Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest	\$800	\$800	\$535	(\$265)
<u>Expenditures</u>				
<i>Current:</i>				
Cemetery	1,000	14,500	80	14,420
Net Change in Fund Balance	(200)	(13,700)	455	14,155
Fund Balance at Beginning of Year	13,790	13,790	13,790	0
Fund Balance at End of Year	<u>\$13,590</u>	<u>\$90</u>	<u>\$14,245</u>	<u>\$14,155</u>

West Chester Township  
 Butler County, Ohio  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Park Trust Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Contributions and Donations	\$5,000	\$10,000	\$16,077	\$6,077
<u>Expenditures</u>				
<i>Current:</i>				
Parks and Recreation	1,700	12,200	11,711	489
Net Change in Fund Balance	3,300	(2,200)	4,366	6,566
Fund Balance at Beginning of Year	2,225	2,225	2,225	0
Fund Balance at End of Year	<u>\$5,525</u>	<u>\$25</u>	<u>\$6,591</u>	<u>\$6,566</u>

West Chester Township  
 Butler County, Ohio  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Firing Range Trust Fund  
 For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for Services	\$2,000	\$2,000	\$950	(\$1,050)
<u>Expenditures</u>				
<i>Current:</i>				
Public Safety				
Police	2,000	3,000	275	2,725
Net Change in Fund Balance	0	(1,000)	675	1,675
Fund Balance at Beginning of Year	1,150	1,150	1,150	0
Fund Balance at End of Year	<u>\$1,150</u>	<u>\$150</u>	<u>\$1,825</u>	<u>\$1,675</u>

West Chester Township  
Butler County, Ohio  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2003

	UCB TIF Debt Service	State Route 747 TIF Debt Service	Total Nonmajor Debt Service Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,550,353	\$1,060,415	\$3,610,768
Payment in Lieu of Taxes Receivable	1,902,917	1,102,329	3,005,246
Total Assets	<u>\$4,453,270</u>	<u>\$2,162,744</u>	<u>\$6,616,014</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Deferred Revenue	\$1,902,917	\$1,102,329	\$3,005,246
Total Liabilities	<u>1,902,917</u>	<u>1,102,329</u>	<u>3,005,246</u>
<u>Fund Balances</u>			
Undesignated, Reported in:			
Debt Service Funds	2,550,353	1,060,415	3,610,768
Total Fund Balances	<u>2,550,353</u>	<u>1,060,415</u>	<u>3,610,768</u>
Total Liabilities and Fund Balances	<u>\$4,453,270</u>	<u>\$2,162,744</u>	<u>\$6,616,014</u>



West Chester Township  
Butler County, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended December 31, 2003

	UCB TIF Debt Service	State Route 747 TIF Debt Service	Total Nonmajor Debt Service Funds
<u>Revenues</u>			
Payments in Lieu of Taxes	\$2,144,091	\$1,199,033	\$3,343,124
Other	11,460	0	11,460
Total Revenues	<u>2,155,551</u>	<u>1,199,033</u>	<u>3,354,584</u>
<u>Expenditures</u>			
Debt Service			
Interest and Fiscal Charges	407,903	171,481	579,384
Excess of Revenues Over Expenditures	<u>1,747,648</u>	<u>1,027,552</u>	<u>2,775,200</u>
<u>Other Financing Uses</u>			
Operating Transfers Out	(54,847)	0	(54,847)
Total Other Financing Uses	<u>(54,847)</u>	<u>0</u>	<u>(54,847)</u>
Net Change in Fund Balances	1,692,801	1,027,552	2,720,353
Fund Balances Beginning of Year	<u>857,552</u>	<u>32,863</u>	<u>890,415</u>
Fund Balances End of Year	<u><u>\$2,550,353</u></u>	<u><u>\$1,060,415</u></u>	<u><u>\$3,610,768</u></u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Union Centre Boulevard Tax Incremental Financing Debt Service Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Payments in Leau of Property Taxes	\$2,700,000	\$2,143,540	\$2,144,091	\$551
Other	0	11,460	11,460	0
Total Revenue	2,700,000	2,155,000	2,155,551	551
<u>Expenditures</u>				
Debt Service				
Principal Retirement	3,037,500	4,525,000	2,000,000	2,525,000
Interest and Fiscal Charges	487,500	487,500	462,750	24,750
Total Expenditures	3,525,000	5,012,500	2,462,750	2,549,750
Excess Of Revenues Under Expenditures	(825,000)	(2,857,500)	(307,199)	2,550,301
<u>Other Financing Sources:</u>				
Proceeds of Notes	0	2,000,000	2,000,000	0
Total Other Financing Sources	0	2,000,000	2,000,000	0
Net Change in Fund Balance	(825,000)	(857,500)	1,692,801	2,550,301
Fund Balance at Beginning of Year	\$857,552	\$857,552	\$857,552	\$0
Fund Balance at End of Year	\$ 32,552	\$ 52	\$ 2,550,353	\$ 2,550,301

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Route 747 Tax Incremental Financing Debt Service Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Payments in Lieu of Property Taxes	\$528,000	\$1,199,000	\$1,199,033	\$33
<u>Expenditures</u>				
Debt Service				
Principal Retirement	328,000	1,031,800	0	1,031,800
Interest and Fiscal Charges	200,000	200,000	171,481	28,519
Total Expenditures	528,000	1,231,800	171,481	1,060,319
Net Change in Fund Balance	0	(32,800)	1,027,552	1,060,352
Fund Balance at Beginning of Year	32,863	32,863	32,863	0
Fund Balance at End of Year	\$32,863	\$63	\$1,060,415	\$1,060,352

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Union Centre Boulevard Tax Incremental Financing Capital Projects Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Interest	\$0	\$30,000	\$30,120	\$120
Other	0	0	204,809	204,809
Total Revenue	<u>0</u>	<u>30,000</u>	<u>234,929</u>	<u>204,929</u>
<u>Expenditures</u>				
Capital Outlay	0	3,443,800	886,043	2,557,757
Debt Service				
Principal Retirement	0	2,630,000	2,630,000	0
Interest and Fiscal Charges	0	500,000	758,541	(258,541)
Total Expenditures	<u>0</u>	<u>6,573,800</u>	<u>4,274,584</u>	<u>2,299,216</u>
Excess Of Revenues Under Expenditures	<u>0</u>	<u>(6,543,800)</u>	<u>(4,039,655)</u>	<u>2,504,145</u>
Other Financing Sources:				
Face Amount From the Sale of Bonds	0	6,525,000	6,600,000	75,000
Total Other Financing Sources	<u>0</u>	<u>6,525,000</u>	<u>6,600,000</u>	<u>75,000</u>
Net Change in Fund Balance	0	(18,800)	2,560,345	2,579,145
Fund Balance at Beginning of Year	18,821	18,821	18,821	0
Prior Year Encumbrances Appropriated	<u>773,948</u>	<u>773,948</u>	<u>773,948</u>	<u>0</u>
Fund Balance at End of Year	<u>\$792,769</u>	<u>\$773,969</u>	<u>\$3,353,114</u>	<u>\$2,579,145</u>

West Chester Township  
Butler County, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Route 747 Tax Incremental Financing Capital Projects Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Interest	\$0	\$40,000	\$55,647	\$15,647
Other	0	0	4,112	4,112
Total Revenue	0	40,000	59,759	19,759
<u>Expenditures</u>				
Capital Outlay	1,165,000	6,837,000	6,484,050	352,950
Debt Service				
Principal Retirement	185,000	185,000	185,000	0
Interest and Fiscal Charges	250,000	250,000	245,400	4,600
Total Expenditures	1,600,000	7,272,000	6,914,450	357,550
Excess Of Revenues Under Expenditures	(1,600,000)	(7,232,000)	(6,854,691)	377,309
Other Financing Sources:				
Face Amount From the Sale of Bonds		5,600,000	5,600,000	0
Total Other Financing Sources	0	5,600,000	5,600,000	0
Net Change in Fund Balance	(1,600,000)	(1,632,000)	(1,254,691)	377,309
Fund Balance at Beginning of Year	1,632,030	1,632,030	1,632,030	0
Prior Year Encumbrances Appropriated	666,549	666,549	666,549	0
Fund Balance at End of Year	\$698,579	\$666,579	\$1,043,888	\$377,309

**This Page is Intentionally Left Blank.**

# STATISTICAL SECTION





West Chester Township  
Butler County, Ohio  
General Fund Expenditures by Function  
Last Ten Years

Year	General Government	Public Safety	Public Works	Cemetery	Parks and Recreation	Planning and Zoning	Economic Development	Capital Outlay	Miscellaneous	Total Expenditures
1994	\$1,041,688	\$0	\$108,681	\$107,888	\$196,670	\$0	\$0	\$16,874	\$0	\$1,471,801
1995	1,132,674	0	89,293	96,556	200,364	0	0	72,261	0	1,591,148
1996	1,344,943	23,912	44,410	85,498	257,721	0	0	0	0	1,756,484
1997	1,774,337	0	70,317	156,597	257,894	0	0	0	292,835	2,551,980
1998	2,023,506	0	105,392	87,380	319,721	0	0	387,597	0	2,923,596
1999	2,668,154	0	69,083	140,348	389,578	0	0	597,033	0	3,864,196
2000	2,543,572	0	60,245	139,736	726,647	0	0	866,668	410,496	4,747,364
2001	2,416,492	0	45,188	0	633,334	379,476	123,383	346,225	0	3,944,098
2002	2,509,825	0	48,823	0	858,857	453,344	141,032	318,775	0	4,330,656
2003	2,540,988	0	31,199	0	787,287	481,239	213,120	181,749	0	4,235,582

Note: Prior to 2001 the Township reported on a cash basis.

72 Source: West Chester Clerk/Treasurer's Office

West Chester Township  
Butler County, Ohio  
General Fund Revenues by Source  
Last Ten Years

Year	Property and Other Taxes	Charges for Services	Licenses and Permits	Fines and Forfeitures	Inter- Governmental	Interest	Contributions and Donations	Other Revenue	Total Revenue
1994	\$673,311	\$0	\$97,699	\$46,433	\$284,409	\$51,276	\$0	\$302,308	\$1,455,436
1995	678,184	0	103,795	52,789	287,740	106,363	0	410,644	1,639,515
1996	847,113	0	182,476	74,565	858,798	150,115	0	234,161	2,347,228
1997	917,619	0	111,109	64,748	1,350,555	290,678	0	442,571	3,177,280
1998	945,379	0	212,889	85,841	1,801,489	406,057	0	386,906	3,838,561
1999	1,010,388	0	134,435	68,615	1,827,739	418,933	0	373,600	3,833,710
2000	1,141,392	0	113,158	88,282	1,955,630	258,646	0	29,108	3,586,216
2001	1,345,504	18,663	152,814	66,661	1,988,203	334,666	5,853	88,443	4,000,807
2002	1,366,545	0	174,368	70,680	1,878,103	405,197	17,307	225,298	4,137,498
2003	1,554,271	0	94,430	249,788	2,151,863	233,777	104,212	11,507	4,399,848

73 Note: Prior to 2001 the Township reported on a cash basis.

Source: West Chester Clerk/Treasurer's Office

West Chester Township  
Butler County, Ohio  
Property Tax Levies and Collections  
Last Eight Years

Collection Year	Current Tax Levy	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes To Current Tax Levy
1996	\$ 9,780,756	\$ 9,429,055	96.40%	\$ 208,977	\$ 9,638,032	98.54%	\$ 714,210	7.30%
1997	10,287,457	9,829,761	95.55%	189,782	10,019,543	97.40%	982,124	9.55%
1998	10,287,456	9,940,052	96.62%	185,188	10,125,240	98.42%	1,144,340	11.12%
1999	11,071,997	10,525,265	95.06%	313,828	10,839,093	97.90%	1,377,244	12.44%
2000	12,008,556	11,700,451	97.43%	209,877	11,910,328	99.18%	1,371,521	11.42%
2001	14,477,757	13,930,695	96.22%	294,933	14,225,628	98.26%	1,161,644	8.02%
2002	18,948,738	18,438,539	97.31%	550,349	18,988,889	100.21%	1,121,493	5.92%
2003	19,601,770	19,098,999	97.44%	568,185	19,667,184	100.33%	1,056,080	5.39%

(1) State Reimbursements of Rollback and Homestead Exemptions are included.

(2) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: Information prior to 1996 was unavailable.

Source: Butler County Auditor

West Chester Township  
Butler County, Ohio  
Assessed and Estimated Actual Value of Taxable Property  
Last Eight Years

Tax Year	Real Property		Public Utility		Tangible Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$1,069,432,430	\$3,055,521,229	\$59,970,690	\$239,882,760	\$140,482,451	\$159,639,149	\$1,269,885,571	\$3,455,043,138	36.75%
1997	1,000,651,720	2,859,004,914	59,904,330	239,617,320	153,825,108	174,801,259	1,214,381,158	3,273,423,493	37.10%
1998	1,044,238,800	2,983,539,429	63,357,890	253,431,560	152,571,973	173,377,242	1,260,168,663	3,410,348,231	36.95%
1999	1,217,017,640	3,477,193,257	65,654,370	262,617,480	157,500,328	178,977,645	1,440,172,338	3,918,788,382	36.75%
2000	1,241,907,370	3,548,306,771	62,631,930	250,527,720	177,295,890	201,472,602	1,481,835,190	4,000,307,093	37.04%
2001	1,248,732,740	3,567,807,829	49,599,380	198,397,520	189,969,824	215,874,800	1,488,301,944	3,982,080,149	37.37%
2002	1,487,226,020	4,253,466,417	46,063,510	184,254,040	188,688,430	215,104,810	1,721,977,960	4,652,825,267	37.01%
2003	1,507,298,740	4,310,874,396	46,734,850	186,939,400	187,632,839	213,901,436	1,741,666,429	4,711,715,233	36.96%

Note: Information prior to 1996 was unavailable.

Source: Butler County Auditor's Office

West Chester Township  
Butler County, Ohio  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Value)  
Last Eight Years

Tax Year	Butler County	West Chester Township	Lakota School District	Princeton School District	Mason School District	Great Oaks JVS	Butler County JVS
1996	\$7.45	\$9.59	\$56.24	\$42.24	\$62.36	\$2.70	\$1.93
1997	8.45	9.59	56.14	42.24	61.95	2.70	1.93
1998	8.45	9.59	56.14	42.24	61.95	2.70	1.93
1999	8.45	9.59	55.14	42.24	61.95	2.70	1.93
2000	8.45	10.59	61.88	46.19	61.95	2.70	1.93
2001	8.75	13.09	61.88	46.19	71.11	2.70	1.93
2002	8.75	13.09	60.84	45.79	72.61	2.70	1.93
2003	8.74	13.09	60.04	49.03	74.11	2.70	1.93

Note: Information prior to 1996 was unavailable.

Source: Butler County Auditor's Office

West Chester Township  
 Butler County, Ohio  
 Special Assessment Billings and Collections  
 Last Seven Years

Collection Year	Amount Billed	Amount (1) Collected	Percent Collected
1997	\$136,429	\$141,613	103.80%
1998	162,462	173,420	106.74%
1999	163,860	180,520	110.17%
2000	173,250	182,230	105.18%
2001	210,383	207,159	98.47%
2002	272,100	230,680	84.78%
2003	152,005	137,341	90.35%

(1) Amount includes carryover accumulated delinquencies

Note: Information prior to 1997 was not available.

Source: Butler County Auditor's Office

West Chester Township  
Butler County, Ohio  
Legal Debt Margin  
December 31, 2003

Total Assessed Property Value (tax year 2003) \$1,741,666,429

10-1/2% Limitation

Overall Debt Limitation -10-1/2% of Assessed Valuation		182,874,975
Gross Indebtedness	37,435,000	
Less Debt Outside Limitations	<u>0</u>	
Debt Within 10-1/2% Limitation	37,435,000	
Less Debt Service Fund Balance Avialable	<u>3,610,768</u>	
Net Debt Within 10-1/2% Limitation		<u>33,824,232</u>
Legal Debt Margin Within 10-1/2% Limitation		<u><u>\$149,050,743</u></u>

5-1/2% Limitation

Unvoted Debt Limitation -5-1/2% of Assessed Valuation		95,791,654
Gross Indebtedness	37,435,000	
Less Debt Outside Limitations	<u>0</u>	
Debt Within 5-1/2% Limitation	37,435,000	
Less Debt Service Fund Balance Avialable	<u>3,610,768</u>	
Net Debt Within 5-1/2% Limitation		<u>33,824,232</u>
Legal Debt Margin Within 5-1/2% Limitation		<u><u>\$61,967,422</u></u>

West Chester Township  
Butler County, Ohio

Ratio of Net General Obligation Bonded Debt  
To Assessed Value and Net Bonded Debt per Capita  
Last Three Years (1)

Year	(2) Population	(3) Assessed Value	(4) Gross General Obligation Bonded Debt	Debt Service Monies Available	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Per Capita Net General Bonded Debt
2001	54,895	\$1,488,301,944	\$11,535,000	\$65,882	\$11,469,118	0.77%	\$208.93
2002	54,895	1,721,977,960	26,135,000	890,415	25,244,585	1.47%	459.87
2003	54,895	1,741,666,429	37,435,000	3,610,768	33,824,232	1.94%	616.16

Ⓢ (1) The Township had no general obligation bonded debt prior to 2001.

(2) Census Data (2000)

(3) Butler County Auditor.

(4) Includes all general obligation bonded debt.



West Chester Township  
Butler County, Ohio  
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt  
To General Fund Expenditures  
Last Three Years (1)

Year	Debt Principal	Interest	Gross Debt Service Expenditures	General Fund Expenditures	Ratio of Debt Service Expenditures to General Fund Expenditures
2001	\$365,000	\$301,306	\$666,306	\$3,944,098	16.89%
2002	595,000	1,578,631	2,173,631	4,330,656	50.19%
2003	900,000	1,725,092	2,625,092	4,235,582	61.98%

(1) The Township had no general Obligation bonded debt prior to 2001.

West Chester Township  
Butler County, Ohio  
Computation of Direct and Overlapping General Obligation Debt  
December 31, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable To Township	Amount Applicable To Township
Direct Debt:			
West Chester Township	\$37,435,000	100.00%	\$37,435,000
Overlapping Debt:			
All Political Subdivisions (1)	148,944,581	7.77%	<u>11,572,994</u>
Total Direct and Overlapping Debt			<u><u>\$49,007,994</u></u>

(1) Butler County, Lakota Local School District, Butler County Joint Vocational School

Source: Ohio Municipal Advisory Council (OMAC)

West Chester Township  
Butler County, Ohio  
Demographic Statistics  
Last Ten Years

<u>Year</u>	<u>Population (3)</u>	<u>School Enrollment(1)</u>	<u>Unemployment Rate (2)</u>
1994	39,703	11,637	5.4
1995	39,703	12,193	4.2
1996	39,703	12,700	3.6
1997	39,703	13,077	3.5
1998	39,703	13,530	3.3
1999	39,703	14,139	3.2
2000	54,895	14,629	3.0
2001	54,895	15,143	3.2
2002	54,895	15,498	4.4
2003	54,895	15,845	4.2

Sources: (1) Lakota Local School District Records  
(2) Ohio Department of Job and Family Services  
(3) Census Data (1990) And (2000)

West Chester Township  
Butler County, Ohio  
Property Value, Construction, and Bank Deposits  
Last Eight Years

Year	NEW CONSTRUCTION			Bank Deposits	Real Property Assessed Value
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction		
1996	\$63,289,544	\$53,703,367	\$116,992,911	\$783,398,000	\$1,069,432,430
1997	49,567,572	77,352,571	126,920,143	815,435,000	1,000,651,720
1998	38,700,562	70,938,169	109,638,731	864,105,000	1,044,238,800
1999	34,228,124	134,755,161	168,983,285	913,169,000	1,217,017,640
2000	20,326,653	96,747,346	117,073,999	1,152,810,000	1,241,907,370
2001	32,969,895	115,998,274	148,968,169	1,136,994,000	1,248,732,740
2002	41,215,680	34,281,570	75,497,250	1,257,078,000	1,487,226,000
2003	13,414,110	20,040,940	33,455,050	1,355,739,000	1,507,298,740

Note: Information prior to 1996 was unavailable.

Source: Butler County Auditor, Federal Reserve Bank of Cleveland.

West Chester Township  
Butler County, Ohio  
2003 Principal Taxpayers

Company	Real Estate	Personal Property	Total Assessed Valuation	Percent of Total Assessed Valuation
Dugan Financing LLC	\$43,123,120	\$0	\$43,123,120	27.30%
Cinergy	32,017,250	0	32,017,250	20.26%
Centerpoint Realty	13,105,870	0	13,105,870	8.30%
Distribution Funding II, Inc	13,023,840	0	13,023,840	8.24%
Cincinnati Bell	9,922,730	0	9,922,730	6.28%
Atlantic Financing Group LTD	9,607,630	0	9,607,630	6.08%
Centre Point Building	8,159,200	0	8,159,200	5.17%
Dugan Realty LLC	7,990,930	0	7,990,930	5.06%
Union Station of West Chester LLC	7,149,010	0	7,149,010	4.53%
Security Capital	6,986,010	0	6,986,010	4.42%
Meijer Stores LTD PTR	4,633,040	2,249,870	6,882,910	4.36%
<b>Total</b>	<b>\$155,718,630</b>	<b>\$2,249,870</b>	<b>\$157,968,500</b>	<b>100.00%</b>

Source: Butler County Auditor

West Chester Township  
Butler County, Ohio  
Miscellaneous Statistics

Year Established	1823
Area	35 square miles
Miles of Streets	270
Employees	
Number of authorized full-time employees	220
Number of authorized part-time employees	127
Police Protection	
Police Chief	1
Authorized Civilian Employees	10
Number of Stations	1
Number of Policemen and Officers	78
Number of Dispatchers	13
Number of Patrol Units	18
Fire And EMS Protection	
Fire Chief	1
Assistant Fire Chief	2
Administrative Civilian Employees	2
Number of Fire Fighters (full-time)	44
Number of Fire Fighters (part-time)	27
Number of Fire Fighters (paid on call)	24
Number of Life Squad Members(paid on call)	56
Number of Stations	5
Education (K-12)(Public Only)	
Number of Schools	18
Number of Employees	1,660
Number of Students	15,845
Recreation And Culture	
Number of Parks	6
Number of Libraries	1
Number of Senior Citizens Centers	1
Number of Golf Courses	2

Source: West Chester Township Records



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**WEST CHESTER TOWNSHIP**

**BUTLER 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  
AUGUST 26, 2004**