



**Auditor of State
Betty Montgomery**

**WEST CHESTER TOWNSHIP
BUTLER COUNTY**

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**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 West Chester Township, Butler County, Ohio (the Township), as of and for the year ended December 31, 2002, and have issued our report thereon dated August 29, 2003. 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 29, 2003.

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2002-001.

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. Our consideration of the internal control over financial reporting would necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 29, 2003.

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



Betty Montgomery
Auditor of State

August 29, 2003, except for finding 2002-001,
for which the date is November 24, 2003.

**WEST CHESTER TOWNSHIP
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002**

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

FINDING NUMBER 2002-001

Noncompliance/Reportable Condition

Ohio Rev. Code, Section 102.03(D), states that “No public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the official or employee with respect to the person’s duties.”

Ohio Rev. Code, Section 102.03(E), states that “No public official or employee shall solicit or accept anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person’s duties.”

The Township Administrator [approximately two weeks] and a Trustee of the Township [approximately four years] stored personal items (sail boats and a recreational vehicle) on Township property free of charge. The Township did not have a policy in place allowing this practice, nor was it approved by the Township Trustees. This resulted in the Administrator and the Trustee receiving something of value from the Township free of charge. The Township Trustees should put in place policies and procedures for allowable use of Township property. These policies and procedures should be in line with the restrictions of the Ohio Rev. Code, Section 102.03.

This is being referred to the Butler County Prosecutor and to the Ohio Ethics Commission for whatever action they deem necessary.

WEST CHESTER TOWNSHIP, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDING DECEMBER 31, 2002



WEST CHESTER TOWNSHIP
BUTLER COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2002

Issued by:
Finance Department

West Chester Township
Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002

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August 30, 2002

To the Citizens of West Chester Township and
Board of Trustees of
West Chester Township, Ohio

We are pleased to report our continuous commitment to providing the most detailed financial conditions of West Chester Township, Butler County, Ohio and are proud to present our second Comprehensive Annual Financial Report (CAFR) for West Chester Township. This report, for the fiscal year ending December 31, 2002, 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 ("the 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 Township Clerk/Treasurer and Finance office.

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 2001 CAFR.
2. The Financial Section begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes 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 presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the Township.

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 66% of the United States' population and buying power.

TOWNSHIP ORGANIZATION AND REPORTING ENTITY

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, component units and other organizations that are included to ensure that the financial statements of the Township 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 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.

Component units are 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 organization. Component units may also include organizations for which the Township approves their budget, the issuance of their debt or the levying of their taxes.

The Community Improvement Corporation (CIC) is a legally separated, non-profit organization. The CIC was established to serve as an agent for economic development for the Township and currently receives the majority of its funding from the Township. The Board is comprised of five members. The members are separated into two voting classes. Class A consists of two Township Trustees and Class B consist of three members of the public appointed by the Township Trustees. Since the CIC's governing body is not substantively the same as the governing body of the Township, the CIC is considered a discretely presented component unit of the Township. This activity is presented as a separate column of the government-wide financial statement.

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 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.

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. The Township is actively planning the park's features, but in the interim they have created soccer and baseball fields to accommodate the various leagues that play in the area.

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 conceptual designs for the park include hiking and exercise trails, athletic fields, three ponds for boating, fishing and ice-skating, a water theme park for children and plenty of trees and green space.

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 Interchange has encouraged major development companies in the region to begin aggressive expansion into West Chester during the past four 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 2,500 employees. These are: FKI Logistex (formerly Buschman Company), which manufactures conveyor systems; Pierre Frozen Foods, a producer of ready-to-eat food items; OPW Fueling Components, a division of Dover Corporation, a manufacturer of nozzles, valves and fittings; CTL Aerospace, Inc., a producer of fiberglass and plastic parts; and CAE Ransohoff, a manufacturer of aqueous cleaning equipment.

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 area 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 the west side of the Interchange, with additional development proposed for both the west and east sides.

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. Since the initial introduction of these four sites, two are actually developing as retail centers with the Union Centre Boulevard East development, the upscale retail Streets of West Chester project, as the community's town centre. 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. Construction began August 2002 on 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. The theater features wall-to-wall screens, a large lobby with state-of-the-art video games, digital surround sound, and a party room.

Other significant 2002 projects that demonstrate West Chester Township's economic diversity are Life Success Seminars, a non-profit agency conducting executive motivational seminars that broke ground on its new 13,488 square foot headquarters in August 2002, and Global Innovations, a provider of marketing materials for school fundraisers. Global Innovations signed a five year lease on the former Paper Plains Building located at 9901 Princeton-Glendale Road. In May 2002, the company moved their Springboro marketing, sales and administrative offices to this 225,000 square foot facility on 20 acres of land. Their warehouse operations previously moved to this location in December 2001. The entire relocation brought 125 new jobs to West Chester Township. Miami University's plans are currently under design for a \$5 million learning center to be located on a 20-acre parcel at the Cox Road Voice of America facility. Jag's Steak and Seafood, an upscale steak and seafood restaurant with a country club atmosphere and featuring a piano lounge broke ground at their Lakota Drive West and West Chester Road location in May 2002. The \$3.5 million project opened January 2003.

Health and Medical Services

In 2001, plans were unveiled for a new \$100 million regional medical campus to be developed in West Chester and development of the medical campus has been progressing successfully during 2002. UC Physicians Group, Inc., a group of about 450 doctors affiliated with the University of Cincinnati, are expanding their medical services to northern Cincinnati and southern Dayton. The 75-acre campus, University Pointe, is located on I-75 at Tylersville Road. Construction began in September 2001 on a \$12 million, 80,000 square foot medical office building was completed Fall 2002. In 2002, an 11,000 square foot digital imaging facility was built on the first floor of the office complex and construction of the second medical office building (MOB) began. The digital imaging facility and the second MOB are the first ventures planned by the newly formed partnership between UC Physicians and the Health Alliance of Greater Cincinnati. Future plans for the campus include 19 buildings housing pediatric services, a dialysis center, fitness center, and research center, with room for a 100-bed hospital, hotel, conference center, and other facilities. The campus is being developed in partnership with Miller Valentine Group.

With the development of University Pointe, West Chester Township has positioned itself as a home for the medical and technological sectors. Several recent projects demonstrate that accomplishment. Anthem is leasing a 15,300 square foot office space in building 3 of the Centre Pointe Office Park. Anthem brings with them 50 full-time employees. Canada Life Assurance Company is leasing a 1,765 square foot office in the Centre Pointe Office Park as well as Besse Medical Supply who brings with them 80 employees. Atricure a marketer and manufacturer of surgical devices, Acuson, a medical equipment supplier, and Mullaney Medical, a retail medical supplier all opened for business during May 2002. Several medical services facilities including All About Health Chiropractic, Beckett Ridge Family Medicine, Howell Rehabilitation, and West Chester Urgent Care are leasing more than 21,000 square feet of space.

MAJOR INITIATIVES

In 2002, the Township renovated existing Fire Station #2 at a total cost of \$1.6 million, updating its architecture and technology to better serve the community. The renovation modernizes four (4) of the Township's five (5) fire stations, providing an increased quality of fire and emergency services.

In March 2002, the Township purchased the former iMotors.com facility for \$4.3 million. During 2002 and continuing into 2003, 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 2002, 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 in 2002 and were expected to be completed in 2003, including: the extension of Centre Pointe Drive from Muhlhauser Road to Union Centre Boulevard; the widening of Cincinnati-Dayton Road from two to five lanes from I-75 north to Maud Hughes Road with major intersection and interchange improvements; the widening of Cox Road from two to five lanes from Tylersville Road to Hamilton Mason Road with major intersection improvements; and the widening of Port Union Road to incorporate a continuous center turn lane between the City of Fairfield limits and State Route 747. The City of Fairfield intends to continue the improvement to State Route 4; thereby, improving a major east-west traffic corridor.

FUTURE PROJECTS

In 2003 and 2004 multiple roadway improvement and construction projects will commence: 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. The project is being managed by the Ohio Department of Transportation and is scheduled to begin in 2003/2004; State Route 747 is being upgraded from south of Smith Road to the Butler County Regional Highway. The project is funded for construction beginning 2003 and lasting about one year.

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. Over the next several years, West Chester intends to reconstruct a historic barn, 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. In addition, West Chester has plans to construct an estimated 100,000 square foot, \$20 million community and recreation center to anchor an integral component of our town centre. The community is very excited about these projects and we look forward to bringing community and recreation amenities that enhance the quality of life for all West Chester's residents.

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." GASB 34 creates new basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting that is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements and encumbrances.

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 current audit year finances and the outlook for the future.

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 \$517,110 for the year ended December 31, 2002, which represents an annual interest yield of 1.8 percent of the total receipts for the year. A majority of the Township's deposits are collateralized by pledged collateral. The pool of securities so pledged must have a current market value at least equal to 105% of all public monies on deposit with the depository including the amount covered by federal insurance.

Risk Management

The Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), for liability, property, and crime damage insurance.

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 the Humana Choice Care plan. 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 Humana Dental. 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.

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 December 2001, West Chester Township submitted its first 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 2001 CAFR and anticipates receiving the commendation again for 2002.

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.

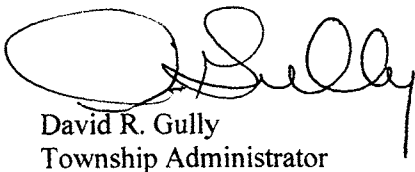
The Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments


For his efforts and work in the preparing this report, a special thanks is due to Sean Fraunfelder, CPA, consultant and contract Finance Director for the Butler County Transportation Improvement District

Our appreciation is extended to the Board of Trustee, the Clerk/Treasurer, 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,



David R. Gully
Township Administrator



Patricia Williams
Township Clerk / Treasurer

West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2002



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, 2002
(continued)

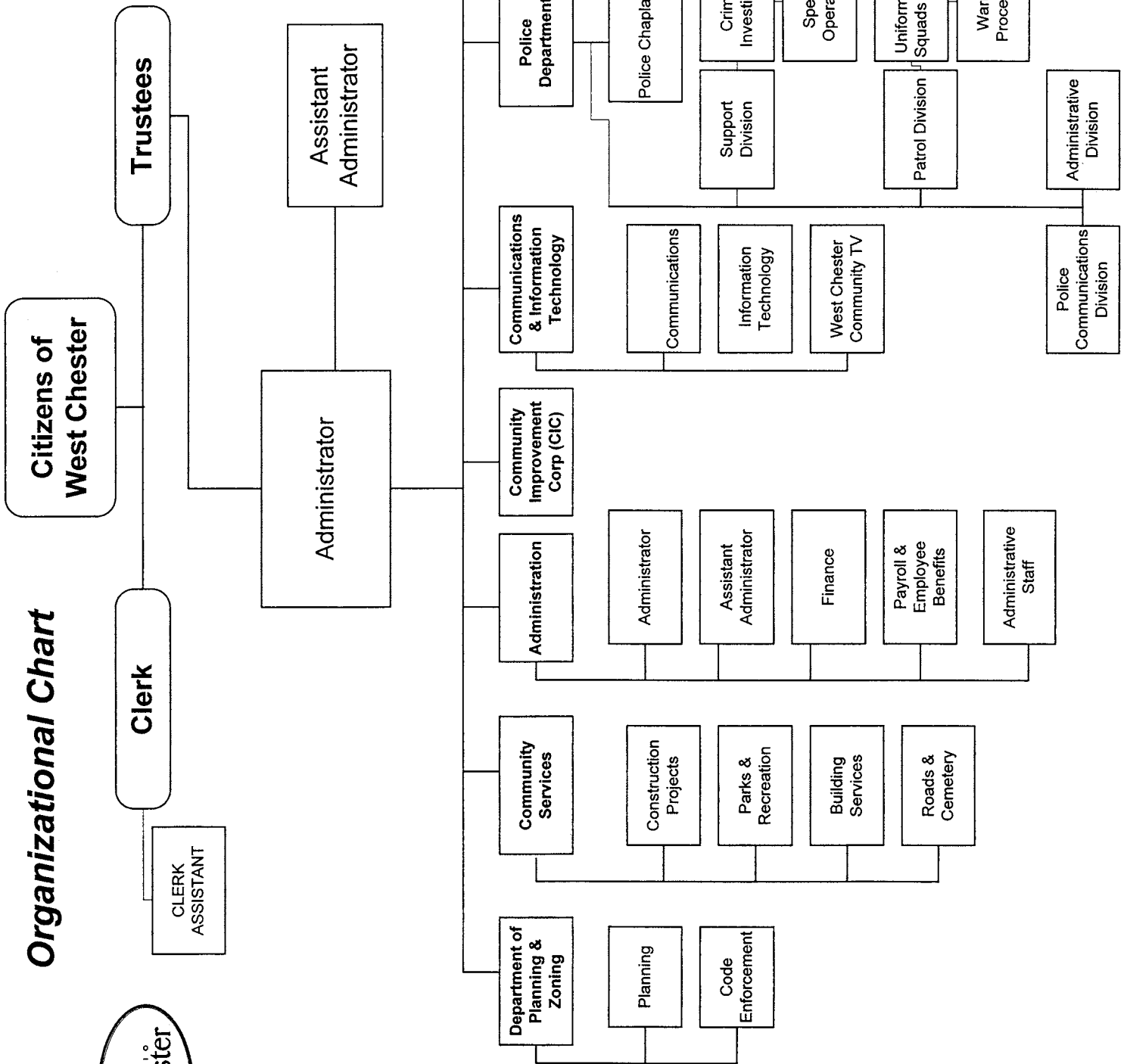
Elected Officials

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 and Community Improvement Corporation	Melissa Koehler
Director of Finance	Kacey Waggaman

Organizational Chart



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, 2001

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

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S E C T I O N**

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**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, the discretely presented component unit, 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, 2002, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of West Chester Township, Butler County, Ohio, as of December 31, 2002, 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 August 29, 2003 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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, Fire and Emergency Medical Service, and Police funds following the Notes to the Basic Financial Statements 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 and individual non-major fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual 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.

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

Betty Montgomery
Auditor of State

August 29, 2003

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002

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, 2002.

FINANCIAL HIGHLIGHTS

- The Township's total net assets increased \$3.2 million.
- Capital assets increased by \$6.6 million.
- General revenues accounted for \$25.7 million in revenue or 94.0 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$1.6 million or 6.0 percent of \$27.4 million in total revenues.
- At the end of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$13.0 million. Of this amount \$10.2 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 \$.71 million or 16.1% 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 5 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 2002?" 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, 2002

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, and parks and recreation.

The governmental wide financial statements include not only the Township itself (known as the primary government), but also the legally separated entity (CIC) for which the Township is financially accountable. Financial information for this component unit is reported separately from the financial information for the primary government itself.

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the Township's major funds begins on page 7. 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, Fire and Emergency Medical Services, Police, and State Route 747 Tax Incremental Financing Capital Project 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 of 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, 2002

Notes to the 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 2002 compared to 2001.

TABLE 1 - NET ASSETS
(in Millions)

	Governmental Activities	
	2002	2001
Assets		
Current and Other Assets	\$45.5	\$37.0
Capital Assets, Net	64.8	58.4
Total Assets	110.2	95.4
Liabilities		
Current and Other Liabilities	30.0	33.4
Long-Term Liabilities		
Due within One Year	1.1	0.6
Due in More Than One Year	26.3	11.6
Total Liabilities	57.4	23.5
Net Assets		
Invested in Capital Assets,		
Net of Debt	36.2	57.0
Restricted for:		
Debt Service	0.9	3.2
Capital Projects	1.2	0.0
Other Purposes	7.9	8.3
Unrestricted (Deficit)	6.6	(18.8)
Total Net Assets	\$52.8	\$49.7

Total net assets increased \$3.1 million as the Township had a net capital asset increase over \$6.4 million for 2002 with the construction expenses on projects for the services department (I Motors) building, the Fire Station Number 2 and Union Centre Point Drive.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002

Governmental Activities

The primary focus of governmental activities is on public safety, which represents the police, fire and EMS centers of the Township. For 2002, total expenses were \$14.4 million representing 59.6% of governmental activity spending yielding a reliance on general revenues to fund the program of \$14.3 million after direct support to their programs.

Continuing escalation in health insurance costs have affected all programs of the government. A primary goal of all programs is to continually review and monitor methods to seek self-sufficiency as public safety continues to increase expenditures. The community television program was the most successful of all programs, yielding no reliance on general revenues and generating \$.11 million in additional revenues during 2002. The changes in net assets for 2001 and 2002 are outlined below,

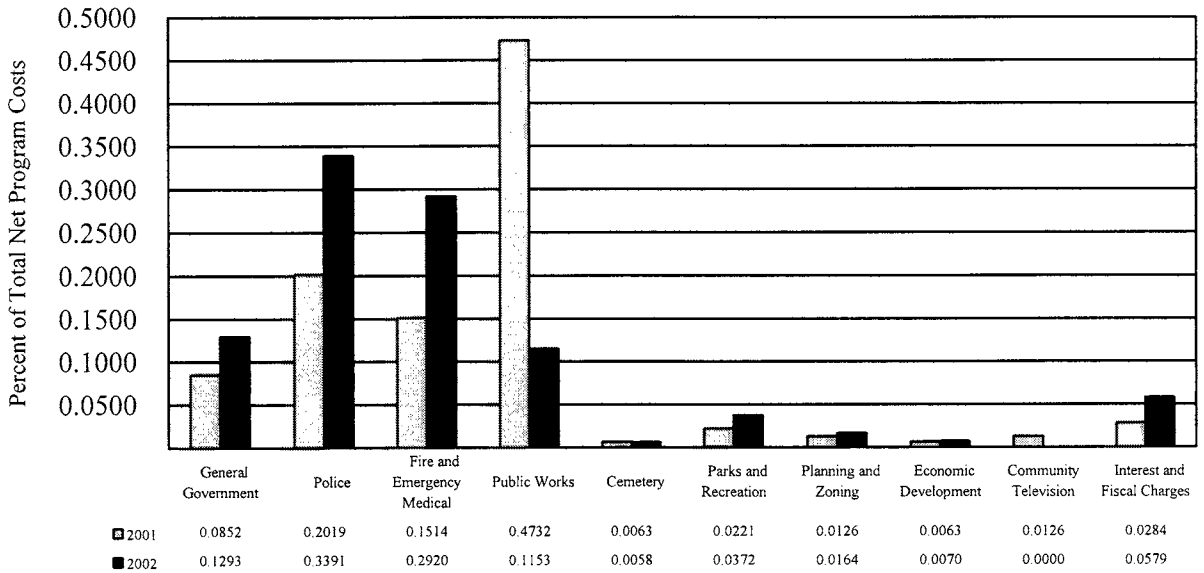
TABLE 2 – CHANGE IN NET ASSETS
(in Millions)

	Governmental Activities	
	2002	2001
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$1.5	\$1.0
Operating Grants and Contributions	0.2	0.3
Capital Grants and Contributions	0.0	3.6
Total Program Revenues	1.7	4.9
<i>General Revenues</i>		
Property and Other Taxes	21.6	17.8
Grants and Entitlements	3.4	3.9
Unrestricted Investment Earnings	0.5	0.7
Miscellaneous	0.2	0.4
Total General Revenues	25.7	22.8
Total Revenues	27.4	27.7
Program Expenses:		
General Government	3.0	2.7
Public Safety		
Police	7.8	6.4
Fire and Emergency Medical Services	6.6	4.8
Public Works	3.2	15.0
Cemetery	0.2	0.2
Parks and Recreation	0.9	0.7
Planning and Zoning	0.6	0.4
Economic Development	0.2	0.2
Community Television	0.5	0.4
Interest and Fiscal Charges	1.3	0.9
Total Expenses	24.2	31.7
Change in Net Assets Before Special Item	3.1	(4.0)
Gain on Sale of Capital Asset	0.0	4.3
Increase in Net Assets	3.1	0.3
Net Assets Beginning of Year	49.7	49.4
Net Assets End of Year	\$52.8	\$49.7

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002

Governmental Activities

Net program cost for 2002 and 2001 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 5.3% of revenue, while 79.4% 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 13. These funds are reported using the modified accrual basis of accounting. All governmental funds had operating revenues of \$28.9 million and expenditures of \$31.3 million.

Major Funds
General
Fire and EMS
Police
SR747 TIF
Capital Projects

The Police fund balance increased \$2.9 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.

The State Route 747 Tax Incremental Financing Capital Project fund balance increased by \$5.8 million, and the result was a fund balance of \$1.8 million. The change for the positive in the fund occurred as the township proceeded with long term debt issuance and paid off \$5.0 million in short term notes that were part of this fund in 2001.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002

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, Fire and Emergency Medical Services, and Police funds. Other governmental funds with adopted budgets are presented with the combining statements and individual fund schedules.

During 2002, there was one revision to the General fund budget. The net effect of the revision was a decrease in appropriations of \$30,000 for transfers and an increase in parks and recreation for \$70,000. The two major special revenue funds had no modifications from original to final budgets.

For the General Fund, actual revenues were within 95.8 percent of final budget and actual expenditures plus encumbrances were 93.1 percent of final budget amounts. The main variances were property tax on the revenue side as the Township saw more of the general tax revenues shifted to the capital projects for the year and general government on the expenditure side since the Township was cautious on the rate of expenditures for general government purposes towards the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 – NET CAPITAL ASSETS
(In Millions)

	2002	2001
Land	\$16.4	\$16.4
Land Improvements	0.7	0.8
Buildings and Improvements	3.2	3.3
Infrastructure	32.9	34.4
Machinery and Equipment	3.7	3.4
Construction in Progress	7.9	0.1
Totals	\$64.8	\$58.4

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002

Debt

At December 31, 2002 the West Chester Township had \$26.2 million in unvoted general obligation bonds and \$2.0 million in short-term notes. The Township paid \$.59 million in principal on general obligation bonds during 2002 while issuing \$15.2 million in additional bonds. The net increase in general obligation debt for the Township during 2002 was \$6.6 million.

The Township's overall legal debt margin was \$153,563,101 at December 31, 2002. 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 2002.

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 the Office of the Finance Director, West Chester Township, 9100 Centre Pointe Drive, Suite 280, West Chester, Ohio 45069.

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West Chester Township
Butler County, Ohio
Statement of Net Assets
December 31, 2002

	Primary Government Governmental Activities	Component Unit	Reporting Entity Total
Assets:			
<i>Current:</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 16,128,813	\$ 45,912	\$ 16,174,725
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	19,396,092	-	19,396,092
Payments in Lieu of Taxes	4,665,956	-	4,665,956
Accounts	145,217	-	145,217
Intergovernmental	4,113,191	-	4,113,191
Special Assessments	274,905	-	274,905
Prepaid Items	228,310	-	228,310
Bond Issuance Costs	513,735	-	513,735
<i>Noncurrent:</i>			
Land and Construction in Progress	24,262,160	-	24,262,160
Depreciable Capital Assets	40,521,392	-	40,521,392
	<u>110,249,771</u>	<u>45,912</u>	<u>110,295,683</u>
Liabilities:			
Accounts Payable	781,503	890	782,393
Accrued Wages and Benefits	324,856	-	324,856
Intergovernmental Payable	479,114	-	479,114
Accrued Interest Payable	92,730	-	92,730
Deferred Revenue	26,348,237	-	26,348,237
General Obligation Notes Payable	2,000,000	-	2,000,000
Long Term Liabilities due within 1 year	1,085,044	-	1,085,044
Long Term Liabilities due over 1 year	26,284,564	-	26,284,564
	<u>57,396,048</u>	<u>890</u>	<u>57,396,938</u>
Net Assets:			
Investment in Capital Assets, net debt	36,241,303	-	36,241,303
Restricted:			
Debt Service	890,415	-	890,415
Capital Improvements	1,165,709	-	1,165,709
Other Purposes	7,940,856	-	7,940,856
Unrestricted:			
Undesignated	6,615,440	45,022	6,660,462
Total Net Assets	<u>52,853,723</u>	<u>45,022</u>	<u>52,898,745</u>
Total Net Assets and Liabilities	<u>\$ 110,249,771</u>	<u>\$ 45,912</u>	<u>\$ 110,295,683</u>

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2002

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Reporting Entity Total
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Component Unit		
Governmental Activities:							
General Government	\$ (3,007,862)	\$ 74,414	\$ -	\$ (2,933,448)	\$ -	\$ (2,933,448)	
Public Safety:							
Police	(7,774,063)	80,987	-	(7,693,076)	-	(7,693,076)	
Fire and Emergency Medical Services	(6,645,704)	2,480	18,545	(6,624,679)	-	(6,624,679)	
Public Works	(3,233,443)	459,847	158,616	(2,614,980)	-	(2,614,980)	
Cemetery	(231,927)	99,464	-	(132,463)	-	(132,463)	
Parks and Recreation	(884,730)	39,979	-	(844,751)	-	(844,751)	
Planning and Zoning	(465,387)	94,020	-	(371,367)	-	(371,367)	
Economic Development	(158,496)	-	-	(158,496)	-	(158,496)	
Community Television	(493,672)	605,852	-	112,180	-	112,180	
Interest and Fiscal Charges	(1,312,669)	-	-	(1,312,669)	-	(1,312,669)	
Total Primary Government	\$ (24,207,953)	\$ 1,457,043	\$ 177,161	\$ (22,573,749)	\$ -	\$ (22,573,749)	
Component Unit Activities:							
Community Improvement Corporation	\$ (44,017)	\$ -	\$ 36,500	\$ -	\$ (7,517)	\$ (7,517)	
General Revenues:							
Property Taxes				16,485,360	-	16,485,360	
Payments in Lieu of Taxes				4,548,688	-	4,548,688	
Permissive Taxes				707,579	-	707,579	
Grants and Contributions not restricted to specific programs				3,377,289	-	3,377,289	
Unrestricted investment earnings				457,450	874	458,324	
Miscellaneous				160,851	100	160,951	
Total General Revenues				25,737,217	974	25,738,191	
Changes in Net Assets				3,163,468	(6,543)	3,156,925	
Net Assets-Beginning (Restated - See Note 3)				49,690,255	51,565	49,741,820	
Net Assets-Ending				\$ 52,853,723	\$ 45,022	\$ 52,898,745	

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Balance Sheet
Governmental Funds
December 31, 2002

	General	Fire and EMS	Police	State Route 747 Tax Incremental Financing Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$935,800	\$2,712,547	\$4,357,202	\$ 2,306,915	\$ 5,816,349	\$16,128,813
Receivables:						
Taxes-Real & Personal Property	1,381,782	6,280,490	10,353,143	-	1,380,677	19,396,092
Payment in Lieu of Taxes	-	-	-	-	4,665,956	4,665,956
Accounts	31,219	-	18,750	-	95,248	145,217
Intergovernmental	1,245,021	974,580	1,603,210	-	290,380	4,113,191
Special Assessments	-	-	-	-	274,905	274,905
Prepaid Items	54,046	57,667	65,382	-	51,215	228,310
Total Assets	3,647,868	10,025,284	16,397,687	2,306,915	12,574,730	44,952,484
Liabilities:						
Accounts Payable	45,223	129,326	40,172	541,763	25,019	781,503
Accrued Wages and Benefits Payable	48,565	105,733	140,013	-	30,545	324,856
Intergovernmental Payable	57,057	219,384	168,153	-	34,520	479,114
Matured Vacation Leave Payable	13,667	12,405	16,849	-	6,258	49,179
Accrued Interest Payable	-	-	-	-	29,836	29,836
Deferred Revenue	2,496,200	7,255,070	11,956,353	-	6,576,646	28,284,269
Notes Payable	-	-	-	-	2,000,000	2,000,000
Total Liabilities	2,660,712	7,721,918	12,321,540	541,763	8,702,824	31,948,757
Fund Balances:						
Reserved for Encumbrances	220,456	439,590	128,188	599,443	1,171,607	2,559,284
Reserved for Prepays	54,046	57,667	65,382	-	51,215	228,310
Unreserved, Undesignated, Reported in:						
General Fund	712,654	-	-	-	-	712,654
Special Revenue Funds	-	1,806,109	3,882,577	-	3,766,813	9,455,499
Debt Service Funds	-	-	-	-	890,415	890,415
Capital Projects Funds (Deficit)	-	-	-	1,165,709	(2,008,144)	(842,435)
Total Fund Balances	987,156	2,303,366	4,076,147	1,765,152	3,871,906	13,003,727
Total Liabilities and Fund Balances	\$3,647,868	\$10,025,284	\$16,397,687	\$2,306,915	\$12,574,730	

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.	64,783,552
Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds.	513,735
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,936,032
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(27,383,323)</u>
Net assets of governmental activities	<u>\$ 52,853,723</u>

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, 2002

	General	Fire and EMS	Police	State Route 747 Tax Incremental Financing Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$1,366,545	\$5,388,981	\$9,005,184	\$ -	\$ 1,484,905	\$17,245,615
Payment in Lieu of Tax	-	-	-	-	4,548,688	4,548,688
Charges for Services	-	-	-	-	57,452	57,452
Licenses and Permits	174,368	-	-	-	42,162	216,530
Fines and Forfeitures	70,680	-	-	-	12,083	82,763
Intergovernmental	1,878,103	653,455	1,079,130	100,000	891,466	4,602,154
Special Assessments	-	-	-	-	211,143	211,143
Contributions and Donations	17,307	-	-	-	525	17,832
Interest	405,197	-	-	51,120	59,919	516,236
Franchise Fees	-	-	-	-	531,916	531,916
Other	225,298	50,828	131,588	22,080	450,217	880,011
Total Revenues	4,137,498	6,093,264	10,215,902	173,200	8,290,476	28,910,340
Expenditures:						
Current:						
General Government	2,509,825	-	-	-	-	2,509,825
Public Safety	-	-	-	-	-	-
Police	-	-	7,338,256	-	11,904	7,350,160
Fire and Emergency Medical Services	-	6,179,113	-	-	-	6,179,113
Public Works	48,823	-	-	-	1,449,551	1,498,374
Cemetery	-	-	-	-	200,692	200,692
Parks and Recreation	858,857	-	-	-	-	858,857
Planning and Zoning	453,344	-	-	-	-	453,344
Economic Development	141,032	-	-	-	-	141,032
Community Television	-	-	-	-	453,460	453,460
Capital Outlay	318,775	1,402,655	-	5,488,388	2,308,609	9,518,427
Debt Service:						
Principal Retirement	-	35,000	-	-	560,000	595,000
Interest and Fiscal Charges	-	69,023	-	660,326	849,282	1,578,631
Total Expenditures	4,330,656	7,685,791	7,338,256	6,148,714	5,833,498	31,336,915
Excess of Revenues Over (Under) Expenditures	(193,158)	(1,592,527)	2,877,646	(5,975,514)	2,456,978	(2,426,575)
Other Financing Sources (Uses):						
Face Amount from Sale of Bonds	-	1,500,000	-	-	13,695,000	15,195,000
Transfers In	-	-	-	11,764,162	740,274	12,504,436
Transfers Out	(100,000)	-	-	-	(12,404,436)	(12,504,436)
Total Other Financing Sources (Uses)	(100,000)	1,500,000	-	11,764,162	2,030,838	15,195,000
Net Change in Fund Balances	(293,158)	(92,527)	2,877,646	5,788,648	4,487,816	12,768,425
Fund Balances (Deficit) at Beginning of Year	1,280,314	2,395,893	1,198,501	(4,023,496)	(615,910)	
Fund Balances at End of Year	\$987,156	\$2,303,366	\$4,076,147	\$1,765,152	\$3,871,906	

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

Net Change in Fund Balances - total governmental funds

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

6,372,533

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(1,131,670)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds, report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items

(14,741,287)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures/revenues in governmental funds.

(104,533)

Change in net assets of governmental activities

\$ 3,163,468

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, 2002

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. 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. The component unit (discussed below) is included in the Township's reporting entity because of the significance of their operational or financial relationship with the Township.

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.

The Community Improvement Corporation (CIC) is a legally separated, non-profit organization. The CIC was established to serve as an agent for economic development for the Township and currently receives the majority of its funding from the Township. The Board is comprised of five members. The members are separated into two voting classes. Class A consists of two Township Trustees and Class B consists of three members of the public appointed by the Township Trustees. The Township can only control 2 of 5 voting members and the CIC is not fiscally dependent on the Township for operation. Based on these two criteria, the CIC's only fund is presented on the government wide financial statements as discretely presented governmental component unit for the Township.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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. 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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

State Route 747 Tax Incremental Financing Capital Projects Fund This capital project fund is used to account for the monies used for the construction costs for the State Route 747 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, 2002

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, 2002, but which were levied to finance year 2003 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies (continued)

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2002.

Interest is distributed according to Ohio statutes. Interest revenue credited to the general fund during 2002 amounted to \$405,197, which includes \$383,088 assigned from other Township funds.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 vacation leave 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 they 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

N. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$27,383,323 difference are as follows:

Long Term Debt	(\$26,135,000)
Long Term Debt – Premium	(407,249)
Accrued Interest Payable	(62,894)
Compensated Absences	<u>(778,180)</u>
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$27,383,323)</u></u>

Another element of that reconciliation states that “Governmental fund report capital outlay expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$6,372,533 are as follows:

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies (continued)

Current capital additions	\$8,977,853
Depreciation Expense	<u>(2,605,320)</u>
Net Adjustment - capital assets to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>\$6,372,533</u></u>

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds, report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this (\$14,741,287) are as follows:

Proceeds from Issuance of Long Term Debt	(\$15,195,000)
Principal paid on Long Term Debt	595,000
New Bond Issuance Costs	353,498
Current Year Amortization of Issuance Costs	(24,642)
Premium on Long Term Debt Issuance	(407,249)
Interest Due and Payable at Year End	<u>(62,894)</u>
Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>(\$14,741,287)</u></u>

Note 3 - Change in Accounting Principles and Correction of Error

The Township implemented GASB Statement No. 41, “*Budgetary Comparison Schedules – Perspective Differences*”, which had no effect on beginning net assets.

For fiscal year 2001, the Township classified property tax and special assessment levies intended to finance fiscal year 2002 operations as revenue on the government-wide statements. The Township also had presented the CIC component unit as a blended component unit. The CIC should be presented as a discretely presented component unit. The restatements had the following effect:

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 3 - Change in Accounting Principles and Correction of Error (continued)

	Special Revenue	Governmental Activities	Component Unit
12/31/01 Fund Balance/Net Assets	\$5,311,017	\$71,937,329	\$0
Component Unit Classification Corrected	(51,565)	(51,565)	51,565
Incorrect Revenue Recognition	0	(22,195,509)	0
Restated 12/31/01 Fund Balance/Net Assets	<u>\$5,259,452</u>	<u>\$49,690,255</u>	<u>\$51,565</u>

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;
- 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;

Note 4 - Deposits and Investments (continued)

- 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."

Deposits At year end, the carrying amount of the Township's deposits was \$10,176,651 and the bank balance was \$10,626,019. Of the bank balance, \$200,000 was covered by federal deposit insurance. The Township had specific pledged collateral for \$9,775,723 with the remaining \$650,296 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 4 - Deposits and Investments (continued)

Investments in STAR Ohio are not classified because they are not evidenced by securities that exist in physical or book entry form.

The Township's Investments at December 31, 2002 are summarized below:

	Category		Fair
	2	Unclassified	Value
Federal Home Loan Mortgage Corp. Notes	\$2,009,051	\$0	\$2,009,051
Federal Home Loan Bank Notes	832,862	0	832,862
Federal Farm Credit Bank Notes	150,653	0	150,653
Federal National Mortgage Assoc. Notes	2,862,586	0	2,862,586
Money Market Mutual Funds	0	56,635	56,635
U.S. Treasury Notes	40,375	0	40,375
	<u>\$5,895,527</u>	<u>\$56,635</u>	<u>\$5,952,162</u>

Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. 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:

	Cash and	Investments	Component
	Cash Equivalents		Unit
Cash, Cash Equivalents and Investments	\$16,128,813	\$0	\$47,201
Investments:			
Federal Home Loan Mortgage Corp. Notes	(2,009,051)	2,009,051	0
Federal Home Loan Bank Notes	(832,862)	832,862	0
Federal Farm Credit Bank Notes	(150,653)	150,653	0
Federal National Mortgage Assoc. Notes	(2,862,586)	2,862,586	0
Money Market Mutual Funds	(56,635)	56,635	0
U.S. Treasury Notes	(40,375)	40,375	0
GASB Statement No. 3	<u>\$10,176,651</u>	<u>\$5,952,162</u>	<u>\$47,201</u>

Note 5 - Receivables

Receivables at December 31, 2002, 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 5 – Receivables (continued)

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 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

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. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all Township operations for the year ended December 31, 2002, was \$13.09 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property – Residential, Agricultural and Other	\$1,487,226,020
Personal Property	188,688,430
Public Utility (Personal Property)	<u>46,063,510</u>
Total Valuation	<u><u>\$1,721,977,960</u></u>

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, 2002 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 2002 operations. The receivable is therefore offset by deferred revenue in the governmental fund financial statements presented on a modified accrual basis.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 5 – Receivables (continued)

B. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities:	
Local Government and Local Government	
Revenue Assistance	\$890,747
Estate Tax	147,008
Homestead and Rollback	2,997,662
Gasoline and Excise Tax	20,999
Motor Vehicle License Tax	56,775
Total	\$4,113,191

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 2002, 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 the Humana Choice Care plan. 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 Humana Dental. 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, 2002

Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 1/1/2002	Additions	Deductions	Balance 12/31/2002
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 16,400,198	\$0	\$0	\$16,400,198
Construction in Progress	87,394	7,774,568	0	7,861,962
Total Capital Assets, not being depreciated	<u>16,487,592</u>	<u>7,774,568</u>	<u>0</u>	<u>24,262,160</u>
Capital Assets, being Depreciated:				
Land Improvements	1,441,806	13,976	0	1,455,782
Buildings and Improvements	4,419,575	0	0	4,419,575
Infrastructure	53,754,903	0	0	53,754,903
Machinery and Equipment	7,924,092	1,189,309	0	9,113,401
Total Capital Assets, being Depreciated	<u>67,540,376</u>	<u>1,203,285</u>	<u>0</u>	<u>68,743,661</u>
Less Accumulated Depreciation:				
Land Improvements	641,322	66,960	0	708,282
Buildings and Improvements	1,126,501	94,734	0	1,221,235
Infrastructure	19,367,963	1,521,088	0	20,889,051
Machinery and Equipment	4,481,163	922,538	0	5,403,701
Total Accumulated Depreciation	<u>25,616,949</u>	<u>2,605,320</u>	<u>0</u>	<u>28,222,269</u>
Total Capital Assets, being Depreciated, Net	<u>41,923,427</u>	<u>(1,402,035)</u>	<u>0</u>	<u>40,521,392</u>
Governmental Activities Capital Assets, Net	<u>\$ 58,411,019</u>	<u>\$6,372,533</u>	<u>\$0</u>	<u>\$64,783,552</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$251,958
Public Safety	
Police	240,696
Fire and Emergency Medical Services	347,674
Public Works	1,582,312
Cemetery	11,348
Park and Recreation	31,161
Planning and Zoning	8,047
Community Television	132,124
Total Depreciation Expense	<u>\$2,605,320</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

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 Debt Obligations

A schedule of changes in bonds and other long-term obligations of the Township during 2002 follows:

	Amount Outstanding 1/1/2002	Additions	Deletions	Amount Outstanding 12/31/2002	Amounts Due in One Year
Governmental Activities					
<u>Unvoted General Obligation Bonds</u>					
2001 - 4.00% - 5.50%					
Various Purpose Limited Tax Refunding	\$11,535,000	\$0	\$415,000	\$11,120,000	\$430,000
2002 - 2.15% - 5.75%					
Various Purpose Limited Tax	0	15,195,000	180,000	15,015,000	470,000
Premium on 2002 G.O. Bonds	0	420,587	13,338	407,249	17,425
Compensated Absences	673,647	827,359	673,647	827,359	167,619
Total Governmental Activities	<u>\$12,208,647</u>	<u>\$16,442,946</u>	<u>\$1,281,985</u>	<u>\$27,369,608</u>	<u>\$1,085,044</u>

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 9 - Long-Term Debt Obligations (continued)

The Township's overall legal debt margin was \$153,563,101 at December 31, 2002. Principal and interest requirements to retire the long-term debt obligations at December 31, 2002, are as follows:

Various Purpose Limited Tax Refunding Bonds			
Years	Principal	Interest	Total
2003	\$430,000	\$522,220	\$952,220
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
2008-2012	2,800,000	1,818,230	4,618,230
2013-2017	3,470,000	1,202,522	4,672,522
2018-2020	2,530,000	257,000	2,787,000
	<u>\$11,120,000</u>	<u>\$5,710,052</u>	<u>\$16,830,052</u>

Various Purpose Limited Tax General Obligation Bonds			
Years	Principal	Interest	Total
2003	\$470,000	\$730,382	\$1,200,382
2004	485,000	720,278	1,205,278
2005	495,000	707,425	1,202,425
2006	510,000	691,832	1,201,832
2007	530,000	674,238	1,204,238
2008-2012	2,980,000	3,032,930	6,012,930
2013-2017	3,780,000	2,223,375	6,003,375
2018-2022	4,325,000	1,011,387	5,336,387
2023-2025	1,440,000	675,250	2,115,250
	<u>\$15,015,000</u>	<u>\$10,467,097</u>	<u>\$25,482,097</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 10 – Short-Term Debt Obligations

A summary of the short-term note transactions for the year ended December 31, 2002 follows:

<u>Fund/Issue</u>	<u>Amount Outstanding 1/1/2002</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding 12/31/2002</u>
Major Funds				
Fire and EMS Fund				
Fire Station 2 Note - 3.14%	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
Union Centre Boulevard Tax Incremental Financing Fund				
Road Improvement Note – 3.55%	2,550,000	0	2,550,000	0
Road Improvement Note - 2.75%	0	2,000,000	0	2,000,000
State Route 747 Tax Incremental Financing Fund				
Road Improvement Note - 3.73%	5,000,000	0	5,000,000	0
Road Improvement Note – 2.36%	0	6,000,000	6,000,000	0
Total Major Funds	<u>9,050,000</u>	<u>8,000,000</u>	<u>15,050,000</u>	<u>0</u>
Other Governmental Funds				
Community Television Fund				
Van Note – 3.57%	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>
Total All Funds	<u>\$ 10,050,000</u>	<u>\$ 8,000,000</u>	<u>\$ 16,050,000</u>	<u>\$ 2,000,000</u>

Note 11 - Defined Benefit Pension Plans

A. Public Employees Retirement System

All Township full-time employees, other than Firemen, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report, which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 11 - Defined Benefit Pension Plans (continued)

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 PERS 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 PERS 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, which 5% of the contribution was used to fund healthcare. The Townships required contribution to PERS for the years ended December 31, 2002, 2001, and 2000 were \$818,928, \$985,666, and \$824,821, respectively, equal to the required contributions for each year. The full amount has been contributed for 2001 and 2000. 97 percent has been contributed for 2002, 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, 2002, 2001, and 2000 were \$441,824, \$442,161, and \$406,148, respectively. The full amount has been contributed for 2001 and 2000. 96 percent has been contributed for 2002, with the remainder being reflected as an intergovernmental payable.

Note 12 - Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides post-employment health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2002 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 5.0 percent was the portion that was used to fund health care for the year. The 2002 employer contribution rate was 16.7% and 5.0% was used to fund health care for both the law enforcement and public safety divisions.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 12 - Postemployment Benefits (continued)

The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfounded actuarial accrued liability. 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. The investment assumption rate for 2001 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increases, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

The OPEB's are advance-funded on an actuarially determined basis. The number of active participants was 402,042. The portion of the townships 2002 contributions that were used to fund postemployment benefits was approximately \$441,824. At December 31, 2001, the actuarial value of the Retirement System's net assets available for OPEB was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost methods used, were \$16.4 billion and \$4.8 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of Health Care. 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, as the name suggests, 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.

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.

Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program in 2002.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 12 - Postemployment Benefits (continued)

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 2002 that were used to fund OPEB were approximately \$138,425.

Note 13 – Transfers

The Township made the following transfers during 2002:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$0	\$100,000
State Route 747 Tax Incremental Financing Capital Projects	11,764,162	0
Nonmajor funds	740,274	12,404,436
Total	\$12,504,436	\$12,504,436

The General fund transferred \$100,000 to the Cemetery fund for operating expenditures not covered by Cemetery fund revenue. The State Route 747 Tax Incremental Financing debt service funds transferred \$11,764,162 to the State Route 747 Tax Incremental Financing capital project funds for debt related activity on short-term notes.

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.

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, 2002, the audits of certain of these programs have not been completed. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2002

Note 15 – Deficit Fund Balances and Compliance

At December 31, 2002, The Union Centre Boulevard Tax Incremental Financing Capital Projects fund had a deficit fund balance of \$1,236,609. The deficit was created by the application of generally accepted accounting principles in regards to short-term note debt. Refinancing the short-term debt issue on a long-term basis will eliminate the deficit balance.

The Union Centre Boulevard Tax Incremental Financing Debt Service fund had expenditures plus encumbrances in excess of appropriations at the end of the fiscal year ended December 31, 2002 by \$13,867.

Note 16 – Significant Contractual Commitments

As of December 31, 2002, 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, 2002:

Description	Remaining Contractual Commitment
Centre Pointe Drive (Armel Brynes)	\$635,987
I-Motors Building (Performance Construction)	236,276
State Route 747 Engineering (BCEO)	<u>130,385</u>
Total	<u>\$1,002,648</u>

Note 17 – Related Party Transaction

The Township paid the salaries and benefits for the employees of the CIC discretely presented component unit. The total of those payments were \$124,862 for the fiscal year.

Note 18 - Subsequent Event

On June 19, 2003, the Township issued \$2,000,000 in general obligation notes for the Union Centre Boulevard Tax Incremental Financing Fund. The notes carry an interest rate of 1.07% and mature on June 18, 2004.

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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, 2002

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and Other Taxes	\$ 1,576,810	\$ 1,576,810	\$ 1,368,075	\$ (208,735)
Licenses, Permits, and Fees	170,000	170,000	174,704	4,704
Fines and Forfeitures	90,000	90,000	75,425	(14,575)
Intergovernmental	2,086,532	2,086,532	1,956,925	(129,607)
Contributions and Donations	10,000	10,000	17,307	7,307
Interest	350,000	350,000	351,102	1,102
Other	45,000	45,000	202,631	157,631
Total Revenue	<u>4,328,342</u>	<u>4,328,342</u>	<u>4,146,169</u>	<u>(182,173)</u>
Expenditures:				
Current:				
General Government				
Administration	1,881,189	1,881,189	1,810,489	70,700
Buildings and Grounds	111,720	111,720	41,041	70,679
Communication, Information, and Technology	376,091	376,091	363,276	12,815
Services Department	402,686	402,686	385,848	16,838
Senior Citizens	11,900	11,900	6,486	5,414
Total General Government	<u>2,783,586</u>	<u>2,783,586</u>	<u>2,607,140</u>	<u>176,446</u>
Public Works				
Street Lighting	50,000	50,000	42,571	7,429
Parks and Recreation				
	937,811	1,007,811	901,247	106,564
Planning and Zoning				
	524,005	524,005	497,138	26,867
Economic Development				
	142,500	142,500	140,042	2,458
Capital Outlay	<u>421,205</u>	<u>421,205</u>	<u>402,671</u>	<u>18,534</u>
Total Expenditures	<u>4,859,107</u>	<u>4,929,107</u>	<u>4,590,809</u>	<u>338,298</u>
Excess of Revenues Under Expenditures	<u>(530,765)</u>	<u>(600,765)</u>	<u>(444,640)</u>	<u>156,125</u>
Other Financing Uses:				
Transfers - Out	(130,000)	(100,000)	(100,000)	-
Total Other Financing Uses	<u>(130,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	(660,765)	(700,765)	(544,640)	156,125
Fund Balance at Beginning of Year	694,552	694,552	694,552	-
Prior Year Encumbrances Appropriated	<u>468,107</u>	<u>468,107</u>	<u>468,107</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 501,894</u>	<u>\$ 461,894</u>	<u>\$ 618,019</u>	<u>\$ 156,125</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and Other Taxes	\$ 5,558,000	\$ 5,558,000	\$ 5,397,323	\$ (160,677)
Intergovernmental	600,000	600,000	661,716	61,716
Other	170,000	170,000	52,713	(117,287)
Total Revenue	<u>6,328,000</u>	<u>6,328,000</u>	<u>6,111,752</u>	<u>(216,248)</u>
Expenditures:				
Current:				
Public Safety				
Fire and EMS	6,282,565	6,282,565	6,268,244	14,321
Capital Outlay	2,773,801	2,773,801	1,622,819	1,150,982
Debt Services:				
Principal Retirement	1,535,000	1,535,000	1,535,000	-
Interest and Fiscal Charges	94,186	94,186	94,186	-
Total Expenditures	<u>10,685,552</u>	<u>10,685,552</u>	<u>9,520,249</u>	<u>1,165,303</u>
Excess of Revenues Under Expenditures	<u>(4,357,552)</u>	<u>(4,357,552)</u>	<u>(3,408,497)</u>	<u>949,055</u>
Other Financing Sources:				
Face Amount From the Sale of Bonds	1,500,000	1,500,000	1,500,000	-
Total Other Financing Sources	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	(2,857,552)	(2,857,552)	(1,908,497)	949,055
Fund Balance at Beginning of Year	3,550,391	3,550,391	3,550,391	-
Prior Year Encumbrances Appropriated	627,552	627,552	627,552	-
Fund Balance at End of Year	<u>\$ 1,320,391</u>	<u>\$ 1,320,391</u>	<u>\$ 2,269,446</u>	<u>\$ 949,055</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
Police Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and Other Taxes	\$ 9,360,000	\$ 9,360,000	\$ 9,013,331	\$ (346,669)
Intergovernmental	1,000,000	1,000,000	1,079,130	79,130
Other	<u>80,000</u>	<u>80,000</u>	<u>118,652</u>	<u>38,652</u>
Total Revenue	<u>10,440,000</u>	<u>10,440,000</u>	<u>10,211,113</u>	<u>(228,887)</u>
Expenditures:				
Current:				
Public Safety				
Police	7,957,107	7,957,107	7,436,277	520,830
Capital Outlay	<u>604,680</u>	<u>604,680</u>	<u>-</u>	<u>604,680</u>
Total Expenditures	<u>8,561,787</u>	<u>8,561,787</u>	<u>7,436,277</u>	<u>1,125,510</u>
Net Change in Fund Balance	1,878,213	1,878,213	2,774,836	896,623
Fund Balance at Beginning of Year	1,231,978	1,231,978	1,231,978	-
Prior Year Encumbrances Appropriated	<u>209,787</u>	<u>209,787</u>	<u>209,787</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,319,978</u>	<u>\$ 3,319,978</u>	<u>\$ 4,216,601</u>	<u>\$ 896,623</u>

See accompanying notes to the required supplementary information

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West Chester Township
Butler County, Ohio
Notes To The Required Supplementary Information
For the Year Ended December 31, 2002

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 2002.

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, 2002

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	Fire and EMS Fund	Police Fund
GAAP Basis	(\$293,158)	(\$92,527)	\$2,877,646
Adjustments:			
Revenue Accruals	8,671	18,488	(4,789)
Expenditure Accruals	(22,221)	108,643	42,579
Debt Activity	0	(1,500,000)	0
Encumbrances	(237,932)	(443,101)	(140,600)
Budget Basis	<u>(\$544,640)</u>	<u>(\$1,908,497)</u>	<u>\$2,774,836</u>

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COMBINING AND
INDIVIDUAL
FUND FINANCIAL
STATEMENTS

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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 donation 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 FUND

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.

NONMAJOR CAPITAL PROJECTS FUND

Union Centre Boulevard Tax Incremental Financing

To account for the monies used for the construction costs for the Union Centre Boulevard infrastructure project.

Park Acquisition Fund

To account for the financing and acquisition of Beckett Park.

West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,130,294	\$ 890,415	\$ 795,640	\$ 5,816,349
Receivables (net of allowance for doubtful accounts):				
Taxes-Real & Personal Property	1,380,677	-	-	1,380,677
Payments in Lieu of Taxes	3,548,956	1,117,000	-	4,665,956
Accounts	95,248	-	-	95,248
Intergovernmental	290,380	-	-	290,380
Special Assessments	274,905	-	-	274,905
Prepaid Items	51,215	-	-	51,215
	<u>9,771,675</u>	<u>2,007,415</u>	<u>795,640</u>	<u>12,574,730</u>
Total Assets and Other Debits				
Liabilities:				
Accounts Payable	22,606	-	2,413	25,019
Accrued Wages and Benefits	30,545	-	-	30,545
Intergovernmental Payable	34,520	-	-	34,520
Compensated Absences Payable	6,258	-	-	6,258
Accrued Interest Payable	-	-	29,836	29,836
Deferred Revenue	5,459,646	1,117,000	-	6,576,646
Notes Payable	-	-	2,000,000	2,000,000
	<u>5,553,575</u>	<u>1,117,000</u>	<u>2,032,249</u>	<u>8,702,824</u>
Total Liabilities				
Fund Balance:				
Reserved for Encumbrances	400,072	-	771,535	1,171,607
Reserved for Prepaid Items	51,215	-	-	51,215
Unreserved, Undesignated Reported in:				
Special Revenue	3,766,813	-	-	3,766,813
Debt Service	-	890,415	-	890,415
Capital Projects (deficit)	-	-	(2,008,144)	(2,008,144)
	<u>4,218,100</u>	<u>890,415</u>	<u>(1,236,609)</u>	<u>3,871,906</u>
Total Fund Balances (deficit)				
Total Liabilities and Fund Balances	<u>\$ 9,771,675</u>	<u>\$ 2,007,415</u>	<u>\$ 795,640</u>	<u>\$ 12,574,730</u>

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West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property and Other Taxes	\$ 1,484,905	\$ -	\$ -	\$ 1,484,905
Payment in Lieu of Tax	1,382,751	3,165,937	-	4,548,688
Charges for Services	57,452	-	-	57,452
Licenses and Permits	42,162	-	-	42,162
Fines and Forfeitures	12,083	-	-	12,083
Intergovernmental	891,466	-	-	891,466
Special Assessments	211,143	-	-	211,143
Contributions and Donations	525	-	-	525
Interest	34,180	-	25,739	59,919
Franchise Fees	531,916	-	-	531,916
Other	9,435	440,187	595	450,217
Total Revenues	4,658,018	3,606,124	26,334	8,290,476
<u>Expenditures:</u>				
Current:				
Public Safety				
Police	11,904	-	-	11,904
Public Works	1,449,551	-	-	1,449,551
Cemetery	200,692	-	-	200,692
Economic Development	-	-	-	-
Community Television	453,460	-	-	453,460
Capital Outlay	1,028,340	-	1,280,269	2,308,609
Debt Service:				
Principal Retirement	20,000	540,000	-	560,000
Interest and Fiscal Charges	41,029	733,593	74,660	849,282
Total Expenditures	3,204,976	1,273,593	1,354,929	5,833,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,453,042	2,332,531	(1,328,595)	2,456,978
<u>Other Financing Sources (Uses):</u>				
Face Amount from Sale of Bonds	1,000,000	10,895,000	1,800,000	13,695,000
Transfers In	100,000	-	640,274	740,274
Transfers Out	-	(12,404,436)	-	(12,404,436)
Total Other Financing Sources (Uses)	1,100,000	(1,509,436)	2,440,274	2,030,838
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,553,042	823,095	1,111,679	4,487,816
Fund Balances (Deficit) at Beginning of Year	1,665,058	67,320	(2,348,288)	(615,910)
Fund Balances (Deficit) at End of Year	<u>\$ 4,218,100</u>	<u>\$ 890,415</u>	<u>\$ (1,236,609)</u>	<u>\$ 3,871,906</u>

West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	West Chester Community Television	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Cemetery	Union Centre Boulevard Tax Increment Equivalent	State Route 747 Tax Increment Equivalent
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$ 495,405	\$ 34,092	\$ 26,257	\$ 136,158	\$ 24,400	\$ 1,593,653	\$ 658,517
Receivables:							
Property and Other Taxes	-	-	-	1,351,867	-	-	-
Payment in Lieu of Taxes	-	-	-	-	-	2,231,178	1,317,778
Accounts	94,432	-	-	-	-	-	-
Intergovernmental	-	56,775	20,999	212,606	-	-	-
Special Assessments	-	-	-	-	-	-	-
Prepaid Items	5,357	-	-	42,397	3,461	-	-
Total Assets	595,194	90,867	47,256	1,743,028	27,861	3,824,831	1,976,295
Liabilities:							
Accounts Payable	3,563	-	200	5,390	1,169	-	-
Accrued Wages Payable	4,182	-	-	23,100	3,263	-	-
Intergovernmental Payable	4,478	-	-	26,356	3,686	-	-
Matured Vacation Leave Payable	1,056	-	-	5,202	-	-	-
Deferred Revenue	-	53,150	18,162	1,564,473	-	2,231,178	1,317,778
Total Liabilities	13,279	53,150	18,362	1,624,521	8,118	2,231,178	1,317,778
Fund Balances:							
Reserved for Encumbrances	49,449	-	908	3,172	-	-	-
Reserved for Prepaids	5,357	-	-	42,397	3,461	-	-
Unreserved, Undesignated, Reported In: Special Revenue Funds	527,109	37,717	27,986	72,938	16,282	1,593,653	658,517
Total Fund Balances	581,915	37,717	28,894	118,507	19,743	1,593,653	658,517
Total Liabilities and Fund Balances	\$ 595,194	\$ 90,867	\$ 47,256	\$ 1,743,028	\$ 27,861	\$ 3,824,831	\$ 1,976,295

West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

Drug Law Enforcement	Township Motor Vehicle License Tax	Enforcement and Education	Local Law Enforcement Block Grant	FEMA Grant	Street Lighting Special Assessment	Cemetery Request	Park Trust	Firing Range Trust	Total Nonmajor Special Revenue Funds
\$ 114,654	\$ 934,325	\$ 8,093	\$ 11,215	\$ -	\$ 76,360	\$ 13,790	\$ 2,225	\$ 1,150	\$ 4,130,294
-	28,810	-	-	-	-	-	-	-	1,380,677
565	-	251	-	-	-	-	-	-	3,548,956
-	-	-	-	-	-	-	-	-	95,248
-	-	-	-	-	274,905	-	-	-	290,380
-	-	-	-	-	-	-	-	-	274,905
-	-	-	-	-	-	-	-	-	51,215
<u>115,219</u>	<u>963,135</u>	<u>8,344</u>	<u>11,215</u>	<u>-</u>	<u>351,265</u>	<u>13,790</u>	<u>2,225</u>	<u>1,150</u>	<u>9,771,675</u>
-	11,115	-	-	-	1,169	-	-	-	22,606
-	-	-	-	-	-	-	-	-	30,545
-	-	-	-	-	-	-	-	-	34,520
-	-	-	-	-	-	-	-	-	6,258
-	-	-	-	-	274,905	-	-	-	5,459,646
-	<u>11,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,553,575</u>
-	346,543	-	-	-	-	-	-	-	400,072
-	-	-	-	-	-	-	-	-	51,215
<u>115,219</u>	<u>605,477</u>	<u>8,344</u>	<u>11,215</u>	<u>-</u>	<u>75,191</u>	<u>13,790</u>	<u>2,225</u>	<u>1,150</u>	<u>3,766,813</u>
<u>115,219</u>	<u>952,020</u>	<u>8,344</u>	<u>11,215</u>	<u>-</u>	<u>75,191</u>	<u>13,790</u>	<u>2,225</u>	<u>1,150</u>	<u>4,218,100</u>
<u>\$ 115,219</u>	<u>\$ 963,135</u>	<u>\$ 8,344</u>	<u>\$ 11,215</u>	<u>\$ -</u>	<u>\$ 351,265</u>	<u>\$ 13,790</u>	<u>\$ 2,225</u>	<u>\$ 1,150</u>	<u>\$ 9,771,675</u>

West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002

	West Chester Community Television	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Cemetery	Union Centre Boulevard Tax Increment Equivalent	State Route 747 Tax Increment Equivalent	Drug Law Enforcement
Revenues:								
Property and Other Taxes	\$ -	\$ -	\$ -	\$ 1,024,343	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Tax	-	-	-	-	-	753,665	629,086	-
Charges for Services	-	-	-	-	57,302	-	-	-
Licenses and Permits	-	-	-	-	42,162	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	7,643
Intergovernmental	-	93,921	51,456	129,339	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-
Interest	334	1,642	1,125	-	-	-	-	-
Franchise Fees	531,916	-	-	-	-	-	-	-
Other	-	-	-	7,474	1,837	-	-	-
Total Revenues	532,250	95,563	52,581	1,161,156	101,301	753,665	629,086	7,643
Expenditures:								
Current:								
Public Safety	-	-	-	-	-	-	-	5,644
Police	-	-	-	1,217,199	-	-	-	-
Public Works	-	-	48,942	-	-	-	-	-
Cemetery	-	-	-	-	200,612	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Community Television	453,460	-	-	-	-	-	-	-
Capital Outlay	-	79,934	8,725	-	-	-	-	-
Debt Service:								
Principal Retirement	20,000	-	-	-	-	-	-	-
Interest and Fiscal Charges	41,029	-	-	-	-	-	-	-
Total Expenditures	514,489	79,934	57,667	1,217,199	200,612	-	-	5,644
Excess of Revenues Over (Under) Expenditures	17,761	15,629	(5,086)	(56,043)	(99,311)	753,665	629,086	1,999
Other Financing Sources:								
Face Amount from Sale of Bonds	1,000,000	-	-	-	-	-	-	-
Transfers In	-	-	-	-	100,000	-	-	-
Total Other Financing Sources	1,000,000	-	-	-	100,000	-	-	-
Net Change in Fund Balances	1,017,761	15,629	(5,086)	(56,043)	689	753,665	629,086	1,999
Fund Balances (Deficit) at Beginning of Year	(435,846)	22,088	33,980	174,550	19,054	839,988	29,431	113,220
Fund Balances at End of Year	\$ 581,915	\$ 37,717	\$ 28,894	\$ 118,507	\$ 19,743	\$ 1,593,653	\$ 658,517	\$ 115,219

West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002

Township Motor Vehicle License Tax	Enforcement and Education	Local Law Enforcement Block Grant	FEMA Grant	Street Lighting Special Assessment	Cemetery Bequest	Park Trust	Firing Range Trust	Special Revenue Funds	Total Nonmajor Special Revenue Funds
\$ 460,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,484,905	1,484,905
-	-	-	-	-	-	-	150	1,382,751	1,382,751
-	-	-	-	-	-	-	-	57,452	57,452
-	4,440	-	-	-	-	-	-	42,162	42,162
528,046	-	-	88,704	-	-	-	-	12,083	12,083
-	-	-	-	211,143	-	-	-	891,466	891,466
-	-	-	-	-	-	525	-	211,143	211,143
30,773	-	-	-	-	306	-	-	525	525
124	-	-	-	-	-	-	-	34,180	34,180
-	-	-	-	-	-	-	-	531,916	531,916
-	-	-	-	-	-	-	-	9,155	9,155
1,019,505	4,440	-	88,704	211,143	306	525	150	4,658,018	4,658,018
-	6,260	-	-	-	-	-	-	11,904	11,904
9,391	-	-	-	174,019	-	-	-	1,449,551	1,449,551
-	-	-	-	-	80	-	-	200,692	200,692
-	-	-	-	-	-	-	-	-	-
735,005	-	-	204,676	-	-	-	-	453,460	453,460
-	-	-	-	-	-	-	-	1,028,340	1,028,340
-	-	-	-	-	-	-	-	20,000	20,000
-	-	-	-	-	-	-	-	41,029	41,029
744,396	6,260	-	204,676	174,019	80	-	-	3,204,976	3,204,976
275,109	(1,820)	-	(115,972)	37,124	226	525	150	1,453,042	1,453,042
-	-	-	-	-	-	-	-	1,000,000	1,000,000
-	-	-	-	-	-	-	-	100,000	100,000
-	-	-	-	-	-	-	-	1,100,000	1,100,000
275,109	(1,820)	-	(115,972)	37,124	226	525	150	2,553,042	2,553,042
676,911	10,164	11,215	115,972	38,067	13,564	1,700	1,000	1,665,058	1,665,058
\$ 952,020	\$ 8,344	\$ 11,215	\$ -	\$ 75,191	\$ 13,790	\$ 2,225	\$ 1,150	\$ 4,218,100	\$ 4,218,100

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise Fees	\$ 534,000	\$ 534,000	\$ 437,484	\$ (96,516)
Interest	-	-	459	459
Total Revenue	534,000	534,000	437,943	(96,057)
Expenditures:				
Current:				
Community Television	406,117	406,117	502,421	(96,304)
Capital Outlay	188,276	188,276	-	188,276
Debt Services:				
Principal Retirement	1,020,000	1,020,000	1,020,000	-
Interest and Fiscal Charges	67,046	67,046	67,046	-
Total Expenditures	1,681,439	1,681,439	1,589,467	91,972
Excess of Revenues Under Expenditures	(1,147,439)	(1,147,439)	(1,151,524)	(4,085)
Other Financing Sources:				
Face Amount From Sale of Bonds	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	1,000,000	1,000,000	1,000,000	-
Net Change in Fund Balance	(147,439)	(147,439)	(151,524)	(4,085)
Fund Balance at Beginning of Year	428,767	428,767	428,767	-
Prior Year Encumbrances Appropriated	167,439	167,439	167,439	-
Fund Balance at End of Year	\$ 448,767	\$ 448,767	\$ 444,682	\$ (4,085)

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 90,582	\$ 15,582
Interest	3,000	3,000	1,303	(1,697)
Total Revenue	78,000	78,000	91,885	13,885
Expenditures:				
Capital Outlay	82,719	82,719	79,934	2,785
Total Expenditures	82,719	82,719	79,934	2,785
Net Change in Fund Balance	(4,719)	(4,719)	11,951	16,670
Fund Balance at Beginning of Year	17,300	17,300	17,300	-
Prior Year Encumbrances Appropriated	4,719	4,719	4,719	-
Fund Balance at End of Year	\$ 17,300	\$ 17,300	\$ 33,970	\$ 16,670

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 53,000	\$ 53,000	\$ 51,718	\$ (1,282)
Interest	5,000	5,000	1,010	(3,990)
Total Revenue	58,000	58,000	52,728	(5,272)
Expenditures:				
Current:				
Public Works				
Roads and Bridges	49,410	49,410	49,942	(532)
Capital Outlay	17,000	17,000	8,725	8,275
Total Expenditures	66,410	66,410	58,667	7,743
Net Change in Fund Balance	(8,410)	(8,410)	(5,939)	2,471
Fund Balance at Beginning of Year	22,785	22,785	22,785	-
Prior Year Encumbrances Appropriated	8,410	8,410	8,410	-
Fund Balance at End of Year	\$ 22,785	\$ 22,785	\$ 25,256	\$ 2,471

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 1,170,000	\$ 1,170,000	\$ 1,025,862	\$ (144,138)
Intergovernmental	115,000	115,000	129,339	14,339
Other	10,000	10,000	7,834	(2,166)
Total Revenue	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,163,035</u>	<u>(131,965)</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	1,272,879	1,272,879	1,244,337	28,542
Capital Outlay	<u>5,839</u>	<u>5,839</u>	-	<u>5,839</u>
Total Expenditures	<u>1,278,718</u>	<u>1,278,718</u>	<u>1,244,337</u>	<u>34,381</u>
Net Change in Fund Balance	16,282	16,282	(81,302)	(97,584)
Fund Balance at Beginning of Year	152,569	152,569	152,569	-
Prior Year Encumbrances Appropriated	<u>61,718</u>	<u>61,718</u>	<u>61,718</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 230,569</u>	<u>\$ 230,569</u>	<u>\$ 132,985</u>	<u>\$ (97,584)</u>

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses, Permits, and Fees	\$ 36,000	\$ 36,000	\$ 42,162	\$ 6,162
Charges for Services	40,000	40,000	57,302	17,302
Other	-	-	1,925	1,925
Total Revenue	<u>76,000</u>	<u>76,000</u>	<u>101,389</u>	<u>25,389</u>
Expenditures:				
Current:				
Cemetery	<u>221,235</u>	<u>221,235</u>	<u>200,139</u>	<u>21,096</u>
Total Expenditures	<u>221,235</u>	<u>221,235</u>	<u>200,139</u>	<u>21,096</u>
Excess Of Revenues Under Expenditures	<u>(145,235)</u>	<u>(145,235)</u>	<u>(98,750)</u>	<u>46,485</u>
Other Financing Sources:				
Transfers - In	<u>130,000</u>	<u>130,000</u>	<u>100,000</u>	<u>(30,000)</u>
Total Other Financing Sources	<u>130,000</u>	<u>130,000</u>	<u>100,000</u>	<u>(30,000)</u>
Net Change in Fund Balance	(15,235)	(15,235)	1,250	16,485
Fund Balance at Beginning of Year	14,915	14,915	14,915	-
Prior Year Encumbrances Appropriated	<u>8,235</u>	<u>8,235</u>	<u>8,235</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,915</u>	<u>\$ 7,915</u>	<u>\$ 24,400</u>	<u>\$ 16,485</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payments in Leau of Property Taxes	\$ 300,000	\$ 300,000	\$ 753,665	\$ 453,665
Total Revenue	<u>300,000</u>	<u>300,000</u>	<u>753,665</u>	<u>453,665</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	1,139,000	1,139,000	-	1,139,000
Total Expenditures	<u>1,139,000</u>	<u>1,139,000</u>	<u>-</u>	<u>1,139,000</u>
Net Change in Fund Balance	(839,000)	(839,000)	753,665	1,592,665
Fund Balance at Beginning of Year	<u>839,988</u>	<u>839,988</u>	<u>839,988</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 988</u>	<u>\$ 988</u>	<u>\$ 1,593,653</u>	<u>\$ 1,592,665</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payments in Lieu of Property Taxes	\$ 700,000	\$ 700,000	\$ 629,086	\$ (70,914)
Total Revenue	<u>700,000</u>	<u>700,000</u>	<u>629,086</u>	<u>(70,914)</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	729,000	729,000	-	729,000
Total Expenditures	<u>729,000</u>	<u>729,000</u>	<u>-</u>	<u>729,000</u>
Net Change in Fund Balance	(29,000)	(29,000)	629,086	658,086
Fund Balance at Beginning of Year	<u>29,431</u>	<u>29,431</u>	<u>29,431</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 431</u>	<u>\$ 431</u>	<u>\$ 658,517</u>	<u>\$ 658,086.00</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 19,177	\$ 9,177
Total Revenue	<u>10,000</u>	<u>10,000</u>	<u>19,177</u>	<u>9,177</u>
Expenditures:				
Current:				
Public Safety				
Police	<u>110,614</u>	<u>110,614</u>	<u>5,814</u>	<u>104,800</u>
Total Expenditures	<u>110,614</u>	<u>110,614</u>	<u>5,814</u>	<u>104,800</u>
Net Change in Fund Balance	(100,614)	(100,614)	13,363	113,977
Fund Balance at Beginning of Year	66,678	66,678	66,678	-
Prior Year Encumbrances Appropriated	<u>34,614</u>	<u>34,614</u>	<u>34,614</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 678</u>	<u>\$ 678</u>	<u>\$ 114,655</u>	<u>\$ 113,977</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 420,000	\$ 420,000	\$ 431,752	\$ 11,752
Intergovernmental	500,000	500,000	533,759	33,759
Interest	50,000	50,000	23,822	(26,178)
Other	-	-	124	124
Total Revenue	<u>970,000</u>	<u>970,000</u>	<u>989,457</u>	<u>19,457</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	294,610	294,610	18,120	276,490
Capital Outlay	<u>1,121,091</u>	<u>1,121,091</u>	<u>1,078,577</u>	<u>42,514</u>
Total Expenditures	<u>1,415,701</u>	<u>1,415,701</u>	<u>1,096,697</u>	<u>319,004</u>
Net Change in Fund Balance	(445,701)	(445,701)	(107,240)	338,461
Fund Balance at Beginning of Year	447,944	447,944	447,944	-
Prior Year Encumbrances Appropriated	<u>243,701</u>	<u>243,701</u>	<u>243,701</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 245,944</u>	<u>\$ 245,944</u>	<u>\$ 584,405</u>	<u>\$ 338,461</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 4,419	\$ (3,581)
Total Revenue	<u>8,000</u>	<u>8,000</u>	<u>4,419</u>	<u>(3,581)</u>
Expenditures:				
Capital Outlay	17,348	17,348	6,260	11,088
Total Expenditures	<u>17,348</u>	<u>17,348</u>	<u>6,260</u>	<u>11,088</u>
Net Change in Fund Balance	(9,348)	(9,348)	(1,841)	7,507
Fund Balance at Beginning of Year	8,587	8,587	8,587	-
Prior Year Encumbrances Appropriated	<u>1,348</u>	<u>1,348</u>	<u>1,348</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 587</u>	<u>\$ 587</u>	<u>\$ 8,094</u>	<u>\$ 7,507</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, 2002

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Capital Outlay	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Net Change in Fund Balance	(11,000)	(11,000)	-	11,000
Fund Balance at Beginning of Year	<u>11,215</u>	<u>11,215</u>	<u>11,215</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 215</u></u>	<u><u>\$ 215</u></u>	<u><u>\$ 11,215</u></u>	<u><u>\$ 11,000</u></u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 192,722	\$ (57,278)
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>192,722</u>	<u>(57,278)</u>
Expenditures:				
Capital Outlay	260,000	260,000	204,676	55,324
Total Expenditures	<u>260,000</u>	<u>260,000</u>	<u>204,676</u>	<u>55,324</u>
Net Change in Fund Balance	(10,000)	(10,000)	(11,954)	(1,954)
Fund Balance at Beginning of Year	<u>11,954</u>	<u>11,954</u>	<u>11,954</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,954</u>	<u>\$ 1,954</u>	<u>\$ -</u>	<u>\$ (1,954)</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 220,000	\$ 220,000	\$ 211,143	\$ (8,857)
Total Revenue	220,000	220,000	211,143	(8,857)
Expenditures:				
Current:				
Public Works				
Street Lighting	268,000	268,000	183,700	84,300
Total Expenditures	268,000	268,000	183,700	84,300
Net Change in Fund Balance	(48,000)	(48,000)	27,443	75,443
Fund Balance at Beginning of Year	48,914	48,914	48,914	-
Fund Balance at End of Year	\$ 914	\$ 914	\$ 76,357	\$ 75,443

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 800	\$ 800	\$ 306	\$ (494)
Total Revenue	<u>800</u>	<u>800</u>	<u>306</u>	<u>(494)</u>
Expenditures:				
Current:				
Cemetery	<u>14,000</u>	<u>14,000</u>	<u>80</u>	<u>13,920</u>
Total Expenditures	<u>14,000</u>	<u>14,000</u>	<u>80</u>	<u>13,920</u>
Net Change in Fund Balance	(13,200)	(13,200)	226	13,426
Fund Balance at Beginning of Year	<u>13,564</u>	<u>13,564</u>	<u>13,564</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 364</u>	<u>\$ 364</u>	<u>\$ 13,790</u>	<u>\$ 13,426</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and Donations	\$ 10,000	\$ 10,000	\$ 525	\$ (9,475)
Total Revenue	<u>10,000</u>	<u>10,000</u>	<u>525</u>	<u>(9,475)</u>
Expenditures:				
Current:				
Parks and Recreation	<u>11,700</u>	<u>11,700</u>	<u>-</u>	<u>11,700</u>
Total Expenditures	<u>11,700</u>	<u>11,700</u>	<u>-</u>	<u>11,700</u>
Net Change in Fund Balance	(1,700)	(1,700)	525	2,225
Fund Balance at Beginning of Year	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225</u>	<u>\$ 2,225</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,000	\$ 5,000	\$ 150	\$ (4,850)
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>150</u>	<u>(4,850)</u>
Expenditures:				
Current:				
Public Safety				
Police	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net Change in Fund Balance	(1,000)	(1,000)	150	1,150
Fund Balance at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,150</u></u>	<u><u>\$ 1,150</u></u>

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West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2002

	<u>Union Centre Boulevard Tax Incremental Financing</u>	<u>State Route 747 Boulevard Tax Incremental Financing</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 857,552	\$ 32,863	\$ 890,415
Receivables:			
Payment in Lieu of Taxes	<u>621,000</u>	<u>496,000</u>	<u>1,117,000</u>
Total Assets	<u>\$1,478,552</u>	<u>\$528,863</u>	<u>\$2,007,415</u>
Liabilities:			
Deferred Revenue	<u>621,000</u>	<u>496,000</u>	<u>1,117,000</u>
Total Liabilities	<u>621,000</u>	<u>496,000</u>	<u>1,117,000</u>
Fund Balances:			
Unreserved, Undesignated, Reported In:			
Debt Service Funds	<u>857,552</u>	<u>32,863</u>	<u>890,415</u>
Total Fund Balances	<u>857,552</u>	<u>32,863</u>	<u>890,415</u>
Total Liabilities and Fund Balances	<u>\$1,478,552</u>	<u>\$528,863</u>	<u>\$2,007,415</u>

West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2002

	Union Centre Boulevard Tax Incremental Financing	State Route 747 Boulevard Tax Incremental Financing	Total Nonmajor Debt Service Funds
<u>Revenues:</u>			
Payment in Lieu of Tax	\$ 2,685,937	\$ 480,000	\$ 3,165,937
Other	19,600	420,587	440,187
Total Revenues	<u>2,705,537</u>	<u>900,587</u>	<u>3,606,124</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	540,000	-	540,000
Interest and Fiscal Charges	733,593	-	733,593
Total Expenditures	<u>1,273,593</u>	<u>-</u>	<u>1,273,593</u>
Excess of Revenues Over Expenditures	<u>1,431,944</u>	<u>900,587</u>	<u>2,332,531</u>
<u>Other Financing Sources (Uses):</u>			
Face Amount from Sale of Bonds	-	10,895,000	10,895,000
Transfers Out	(640,274)	(11,764,162)	(12,404,436)
Total Other Financing Sources (Uses)	<u>(640,274)</u>	<u>(869,162)</u>	<u>(1,509,436)</u>
Net Change in Fund Balances	791,670	31,425	823,095
Fund Balances at Beginning of Year	<u>65,882</u>	<u>1,438</u>	<u>67,320</u>
Fund Balances at End of Year	<u>\$ 857,552</u>	<u>\$ 32,863</u>	<u>\$ 890,415</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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payments in Leau of Property Taxes	\$ 3,844,000	\$ 3,844,000	\$ 2,685,937	\$ (1,158,063)
Other	-	-	19,600	19,600
Total Revenue	<u>3,844,000</u>	<u>3,844,000</u>	<u>2,705,537</u>	<u>(1,138,463)</u>
Expenditures:				
Debt Services:				
Principal Retirement	2,930,000	2,930,000	3,090,000	(160,000)
Interest and Fiscal Charges	970,000	970,000	823,867	146,133
Total Expenditures	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,913,867</u>	<u>(13,867)</u>
Excess Of Revenues Under Expenditures	<u>(56,000)</u>	<u>(56,000)</u>	<u>(1,208,330)</u>	<u>(1,152,330)</u>
Other Financing Sources:				
Face Amount From the Sale of Notes	-	-	2,000,000	2,000,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net Change in Fund Balance	(56,000)	(56,000)	791,670	847,670
Fund Balance at Beginning of Year	<u>65,881</u>	<u>65,881</u>	<u>65,881</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,881</u>	<u>\$ 9,881</u>	<u>\$ 857,551</u>	<u>\$ 847,670</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 Debt Service Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payments in Leau of Property Taxes	\$ 480,000	\$ 480,000	\$ 480,000	\$ -
Other	-	-	420,587	420,587
Total Revenue	<u>480,000</u>	<u>480,000</u>	<u>900,587</u>	<u>420,587</u>
Expenditures:				
Debt Services:				
Principal Retirement	11,000,000	11,000,000	11,000,000	-
Interest and Fiscal Charges	<u>2,000,000</u>	<u>2,000,000</u>	<u>764,162</u>	<u>1,235,838</u>
Total Expenditures	<u>13,000,000</u>	<u>13,000,000</u>	<u>11,764,162</u>	<u>1,235,838</u>
Excess of Revenues Under Expenditures	<u>(12,520,000)</u>	<u>(12,520,000)</u>	<u>(10,863,575)</u>	<u>1,656,425</u>
Other Financing Sources:				
Face Amount From the Sale of Bonds	<u>12,531,000</u>	<u>12,531,000</u>	<u>10,895,000</u>	<u>(1,636,000)</u>
Total Other Financing Sources	<u>12,531,000</u>	<u>12,531,000</u>	<u>10,895,000</u>	<u>(1,636,000)</u>
Net Change in Fund Balance	11,000	11,000	31,425	20,425
Fund Balance at Beginning of Year	<u>1,438</u>	<u>1,438</u>	<u>1,438</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 12,438</u>	<u>\$ 12,438</u>	<u>\$ 32,863</u>	<u>\$ 20,425</u>

West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2002

	Union Centre Boulevard Tax Incremental Financing	Park Acquisition	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 795,640	\$ -	\$795,640
Total Assets	795,640	-	795,640
Liabilities:			
Accounts Payable	2,413	-	2,413
Accrued Interest Payable	29,836	-	29,836
Notes Payable	2,000,000	-	2,000,000
Total Liabilities	2,032,249	-	2,032,249
Fund Balances:			
Reserved for Encumbrances	771,535	-	771,535
Unreserved, Undesignated, Reported In: Capital Projects Funds (Deficit)	(2,008,144)	-	(2,008,144)
Total Fund Balances	(1,236,609)	-	(1,236,609)
Total Liabilities and Fund Balances	\$ 795,640	\$ -	\$ 795,640

West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2002

	Union Centre Boulevard Tax Incremental Financing	Park Acquisition	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Interest	\$ 25,739	\$ -	\$ 25,739
Other	595	-	595
Total Revenues	<u>26,334</u>	<u>-</u>	<u>26,334</u>
<u>Expenditures:</u>			
Capital Outlay	1,280,269	-	1,280,269
Debt Service:			
Interest and Fiscal Charges	<u>71,747</u>	<u>2,913</u>	<u>74,660</u>
Total Expenditures	<u>1,352,016</u>	<u>2,913</u>	<u>1,354,929</u>
Deficiency of Revenues (Under) Expenditures	<u>(1,325,682)</u>	<u>(2,913)</u>	<u>(1,328,595)</u>
<u>Other Financing Sources:</u>			
Face Amount from Sale of Bonds	1,800,000	-	1,800,000
Transfers In	<u>640,274</u>	<u>-</u>	<u>640,274</u>
Total Other Financing Sources	<u>2,440,274</u>	<u>-</u>	<u>2,440,274</u>
Net Change in Fund Balances	1,114,592	(2,913)	1,111,679
Fund Balances (Deficit) at Beginning of Year	<u>(2,351,201)</u>	<u>2,913</u>	<u>(2,348,288)</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$1,236,609)</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,236,609)</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 Capital Projects Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ 20,494	\$ 24,053	\$ 3,559
Other	-	-	1,303	1,303
Total Revenue	-	20,494	25,356	4,862
Expenditures:				
Capital Outlay	281,023	2,101,517	2,087,724	13,793
Total Expenditures	281,023	2,101,517	2,087,724	13,793
Excess Of Revenues Under Expenditures	(281,023)	(2,081,023)	(2,062,368)	18,655
Other Financing Sources:				
Face Amount From the Sale of Bonds	-	1,800,000	1,800,000	-
Total Other Financing Sources	-	1,800,000	1,800,000	-
Net Change in Fund Balance	(281,023)	(281,023)	(262,368)	18,655
Fund Balance at Beginning of Year	249,167	249,167	249,167	-
Prior Year Encumbrances Appropriated	32,023	32,023	32,023	-
Fund Balance at End of Year	\$ 167	\$ 167	\$ 18,822	\$ 18,655

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, 2002

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Interest	80,000	80,000	87,102	7,102
Other	-	-	22,080	22,080
Total Revenue	<u>180,000</u>	<u>180,000</u>	<u>209,182</u>	<u>29,182</u>
Expenditures:				
Capital Outlay	7,442,945	7,442,945	5,818,573	1,624,372
Debt Services:				
Interest and Fiscal Charges	-	-	22,080	(22,080)
Total Expenditures	<u>7,442,945</u>	<u>7,442,945</u>	<u>5,840,653</u>	<u>1,602,292</u>
Excess Of Revenues Under Expenditures	<u>(7,262,945)</u>	<u>(7,262,945)</u>	<u>(5,631,471)</u>	<u>1,631,474</u>
Other Financing Sources:				
Face Amount From the Sale of Notes	6,000,000	6,000,000	6,000,000	-
Total Other Financing Sources:	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
Net Change in Fund Balance	(1,262,945)	(1,262,945)	368,529	1,631,474
Fund Balance at Beginning of Year	858,556	858,556	858,556	-
Prior Year Encumbrances Appropriated	<u>404,945</u>	<u>404,945</u>	<u>404,945</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 556</u>	<u>\$ 556</u>	<u>\$ 1,632,030</u>	<u>\$ 1,631,474</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Acquisition Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Debt Services:				
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>2,913</u>	<u>(2,913)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,913</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(2,913)</u>	<u>(2,913)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>2,913</u>	<u>2,913</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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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
1993	\$892,780	\$0	\$93,570	\$94,531	\$177,801	\$0	\$0	\$140,595	\$0	\$1,399,277
1994	1,041,688	-	108,681	107,888	196,670	-	-	16,874	-	1,471,801
1995	1,132,674	-	89,293	96,556	200,364	-	-	72,261	-	1,591,148
1996	1,344,943	23,912	44,410	85,498	257,721	-	-	-	-	1,756,484
1997	1,774,337	-	70,317	156,597	257,894	-	-	-	292,835	2,551,980
1998	2,023,506	-	105,392	87,380	319,721	-	-	387,597	-	2,923,596
1999	2,668,154	-	69,083	140,348	389,578	-	-	597,033	-	3,864,196
2000	2,543,572	-	60,245	139,736	726,647	-	-	866,668	410,496	4,747,364
2001	2,416,492	-	45,188	-	633,334	379,476	123,383	346,225	-	3,944,098
2002	2,509,825	-	48,823	-	858,857	453,344	141,032	318,775	-	4,330,656

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

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	Contributions and Donations	Interest	Other Revenue	Total Revenue
1993	\$602,022	\$ -	\$ 93,200	\$ 38,195	\$ 361,951	\$ -	\$69,462	\$238,458	\$1,403,288
1994	673,311	-	97,699	46,433	284,409	-	51,276	302,308	1,455,436
1995	678,184	-	103,795	52,789	287,740	-	106,363	410,644	1,639,515
1996	847,113	-	182,476	74,565	858,798	-	150,115	234,161	2,347,228
1997	917,619	-	111,109	64,748	1,350,555	-	290,678	442,571	3,177,280
1998	945,379	-	212,889	85,841	1,801,489	-	406,057	386,906	3,838,561
1999	1,010,388	-	134,435	68,615	1,827,739	-	418,933	373,600	3,833,710
2000	1,141,392	-	113,158	88,282	1,955,630	-	258,646	29,108	3,586,216
2001	1,345,504	18,663	152,814	66,661	1,988,203	5,853	334,666	88,443	4,000,807
2002	1,366,545	-	174,368	70,680	1,878,103	17,307	405,197	225,298	4,137,498

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 Seven Years

Collection Year	Current Tax Levy	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections		Percent of Outstanding Delinquent Taxes	
						To Current Tax Levy	To Current Tax Levy	Delinquent Taxes (2)	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%	

(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 Seven 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%

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 Seven Years

Tax Year	Butler County	West Chester Township	Lakota School District	Princeton School District	Mason School District	Fairfield Corporation	Great Oaks JVS	Butler County JVS
1996	\$7.45	\$9.59	\$56.24	\$42.24	\$62.36	\$4.54	\$2.70	\$1.93
1997	8.45	9.59	56.14	42.24	61.95	4.54	2.70	1.93
1998	8.45	9.59	56.14	42.24	61.95	4.54	2.70	1.93
1999	8.45	9.59	55.14	42.24	61.95	4.54	2.70	1.93
2000	8.45	10.59	61.88	46.19	61.95	4.54	2.70	1.93
2001	8.75	13.09	61.88	46.19	71.11	5.94	2.70	1.93
2002	8.75	13.09	60.84	45.79	72.61	5.94	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 Six Years

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount (1) Collected</u>	<u>Percent Collected</u>
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%

(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, 2002

Total Assessed Property Value (tax year 2002) \$1,721,977,960

10-1/2% Limitation

Overall Debt Limitation -10-1/2% of Assessed Valuation		180,807,686
Gross Indebtedness	\$28,135,000	
Less Debt Outside Limitations	<u> -</u>	
Debt Within 10-1/2% Limitation	28,135,000	
Less Debt Service Fund Balance Available	<u> 890,415</u>	
Net Debt Within 10-1/2% Limitation		<u>27,244,585</u>
Legal Debt Margin Within 10-1/2% Limitation		<u><u>\$153,563,101</u></u>

5-1/2% Limitation

Unvoted Debt Limitation -5-1/2% of Assessed Valuation		\$94,708,788
Gross Indebtedness	\$21,585,000	
Less Debt Outside Limitations	<u> -</u>	
Debt Within 5-1/2% Limitation	21,585,000	
Less Debt Service Fund Balance Available	<u> 890,415</u>	
Net Debt Within 5-1/2% Limitation		<u>20,694,585</u>
Legal Debt Margin Within 5-1/2% Limitation		<u><u>\$74,014,203</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 Two 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

(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 Two 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	1,273,593	4,330,656	29.41%

(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, 2002

Jurisdiction	Net Debt Outstanding	Percentage Applicable To Township	Amount Applicable To Township
Direct Debt:			
West Chester Township	\$ 21,585,000	100.00%	\$ 21,585,000
Overlapping Debt:			
All Political Subdivisions (1)	164,082,649	7.77%	<u>12,749,222</u>
Total Direct and Overlapping Debt			<u><u>\$ 34,334,222</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>
1993	39,703	10,937	6.5
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

Sources: (1) Lakota Local School District Records
(2) Butler County Economic Development Department
(3) Census Data (1990) And (2000)

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

Note: Information prior to 1996 was unavailable.

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

West Chester Township
Butler County, Ohio
2002 Principal Taxpayers

Company	Nature of Business	Total Assessed Valuation	Percent of Total Assessed Valuation
Dugan Financing LLC	Business	\$ 44,197,930	2.97%
Cinergy	Public Utility	30,468,460	2.05%
Centerpoint Realty	Business	13,105,870	0.88%
Distribution Funding II, Inc	Business	12,963,830	0.87%
Cincinnati Bell	Public Utility	10,579,890	0.71%
Atlantic Financing Group LTD	Business	8,507,490	0.57%
Dugan Realty LLC	Business	8,307,350	0.56%
Station of West Chester LLC	Business	7,149,010	0.48%
Security Capital	Business	6,986,010	0.47%
FXI Logistex	Business	6,886,910	0.46%
Total		\$ 149,152,750	10.02%

West Chester Township
Butler County, Ohio
Miscellaneous Statistics

Year Established	1,823
Area	35 square miles
Miles of Streets	240
Employees	
Number of authorized full-time employees	200
Number of authorized part-time employees	126
Police Protection	
Police Chief	1
Additonal authorized police officers (full-time	22
Authorized civilian employees (full-time)	6
Number of Stations	1
Number of Policemen and Officers	73
Number of Patrol Units	20
Number of stations	1
Fire And EMS Protection	
Fire Chief (full-time)	1
Assistant fire chief (full-time)	2
Number of Fire Fighters (part-time)	77
Number of Life Squad Members(part-time)	44
Number of Stations	5
Education (K-12)(Public Only)	
Number of Schools	18
Number of Teachers	1,140
Number of Students	15,143
Recreation And Culture	
Number of Parks	6
Number of Libraries	1
Number of Senior Citizens Centers	1
Number of Golf Courses	2



**Auditor of State
Betty Montgomery**

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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
JANUARY 8, 2004**