

WEST CHESTER TOWNSHIP, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2004



**Auditor of State
Betty Montgomery**

Board of Trustees
West Chester Township
9100 Centre Pointe Drive
Suite 280
West Chester, Ohio 45069-4852

We have reviewed the Independent Auditor's Report of West Chester Township, Butler County, prepared by Clark, Schaefer, Hackett & Co. for the audit period January 1, 2004 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 27, 2005

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Township Trustees
West Chester Township, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Chester Township as of and for the year ended December 31, 2004, which collectively comprise the West Chester Township's basic financial statements and have issued our report thereon dated May 20, 2005. 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.

Internal Control Over Financial Reporting

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

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the West Chester Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of the West Chester Township in a separate letter dated May 20, 2005.

This report is intended for the information of management, the Trustees, and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
May 20, 2005

WEST CHESTER TOWNSHIP BUTLER COUNTY, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

WEST CHESTER TOWNSHIP
BUTLER COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

Issued by:
Finance Department

West Chester Township
Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2004

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INTRODUCTORY SECTION



June 30, 2005

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

We are pleased to report our continuous commitment to providing the most detailed financial conditions of West Chester Township and are proud to present our fourth Comprehensive Annual Financial Report (CAFR) for West Chester Township. This report, for the fiscal year ending December 31, 2004, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of West Chester Township ("Township"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the Township, specifically with the Finance Director and Township Clerk/Treasurer.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, a list of principal officials, an organization chart of the Township and the Certificate of Achievement for Excellence in Financial Reporting for the 2003 CAFR.
2. The Financial Section begins with the Report of Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements that provide an overview of the Township's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section demonstrates the fiscal capacity of the Township and presents social and economic data and financial trend information.

TOWNSHIP OVERVIEW

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

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

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

TOWNSHIP ORGANIZATION AND REPORTING ENTITY

The Township has operated as a limited home rule form of government since 1999 and is directed by a publicly elected three-member Board of Trustees. The Trustees are elected for overlapping terms of four years. The Board has an elected Township Clerk/Treasurer and appoints the Township Administrator.

The reporting entity is comprised of the primary government 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.

ITEMS OF LOCAL INTEREST

Parks and Recreation

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

Keehner Park

Keehner Park contains 123 acres featuring an 1833 log cabin, picnic shelters, hiking trails, a creek, playground areas, baseball diamonds, soccer fields and tennis and basketball courts. Annual historical re-enactments are held in the picnic area the second weekend in August. The Amphitheater at Keehner Park is home to the West Chester Concert Series and Family Movie Nights. Shelters in the park are available for family picnics and gatherings.

Voice of America Park

The 1944 art deco building that once housed the powerful Voice of America transmitters is being preserved as a tribute to the role Voice of America broadcasts played in the downfall of communism and the innovative individuals who made communication technology history right here in West Chester. The restoration of The Voice of America building is a joint effort of several organizations utilizing a combination of private and public funds. The Museum is also home to The Gray History of Wireless Museum featuring one of the country's largest collections of antique radios: and Media Heritage, Inc. which focuses efforts on the restoration of radio broadcast history.

In 1999, the Township acquired 330 acres of the former Voice of America, as part of the federal government's disposal of the 600-acre site. While the park is still in its development stage, there has been much activity during 2004. In addition to the various sports organizations that use the playing fields several events, including Dog Fest and the Optimist Run for Youth, took place.

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

The Daisaku Ikeda Tree Grove was formally dedicated at Freedom Fest 2003. Dr. Daisaku Ikeda's message of peace and personal responsibility are echoed in the contribution of this tree grove by the lay Buddhist organization Soka Gakkai International. This organization presented the residents of the Township with 100 trees to honor their leader and his message. At the dedication ceremony, Soka Gakkai International pledged to donate a total of 1,000 trees to the community in the coming years. And in 2004 we did receive another 100 trees for the tree grove.

Beckett Park

In February 2000, the Trustees acquired 151 acres of parkland on Beckett Road, to the north of Union Centre Boulevard, in West Chester Township. The park will feature lakes, playgrounds, athletic fields, and a community conference and training facility. Construction is well under way on the park with the Baseball Complex taking shape. Completion is expected mid 2005 with full operation in the Spring of 2006. Future plans include the Mulhauser Barn project. This facility will serve as a conference center, allowing for gatherings, weddings, and meetings.

Upper Mill Creek Conservation Corridor

A greenbelt of wetland and floodplain properties following the course of the Mill Creek and the former Miami Erie Canal has been acquired through successful applications to the State of Ohio voter-approved Clean Ohio Fund. The Corridor features remnants of the community's earliest canal days including the foundation of an icehouse, canal aqueduct and more. A 1.55-mile paved multi-purpose trail project was completed in 2004 from State Route 747 at Port Union Road to the Township line. The Corridor is home to several endangered species of flora and fauna and presents positive opportunities for improving flood conditions in that area.

Station Road School House

A quaint 1910 two-room schoolhouse including a 3-acre schoolyard was purchased by West Chester Township in 1999. The schoolhouse is being restored to provide a setting for small community gatherings and programs. Restoration efforts continued in 2004 and the School House is expected to open in 2005.

Culture and Education

Three universities have created an education cluster in the West Chester area by opening regional campuses along I-75 in the past few years. At Union Centre in the Downtown, in 2003, the University of Phoenix opened its Cincinnati campus in the Centre Pointe Office Park. In 2004 Indiana Wesleyan University built a 30,000 square foot facility also at Union Centre. In Uptown, Miami University is planning a regional learning center in the Voice of America district on Tylerville. Also in 2004, just outside West Chester's southern limits Mt Vernon Nazarene College opened its Cincinnati campus.

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.

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 strands 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.

West Chester has the highest level of interstate access of any community in the region other than its urban center, the City of Cincinnati. Interstate 75 passes directly through the Township with three full interchanges within its limits, which are the first three interchanges north of the regional beltway I-275. The interchanges – Union Centre Boulevard, Cincinnati-Dayton Road and Tylersville Road are full access, five-lane designs. 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 2004 with an anticipated build-out of 80,000 residents by 2007. This represents one of the highest growth rates in Ohio. The 2000 Census ranked West Chester as the third largest township in Ohio by population, and West Chester is projected to become the largest township in Ohio by the 2010 Census.

Three of the five largest business parks in the Greater Cincinnati region (and five of the 25 largest) are located in the West Chester. There are an estimated 40,000 employees working in West Chester's office, industrial and commercial sectors. The West Chester/Tri-County market has the third largest concentration of employees in the region behind only the City of Cincinnati and Blue Ash.

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 first new interchange in Southwestern Ohio in more than 20 years. 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. 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 and flex-office construction is increasing to meet market demand from corporate headquarters, healthcare/medical offices, professional services and technology-related companies.

The development of the Union Centre Interchange has encouraged major development companies in the region to aggressively expand into West Chester. More than 5.9 million square feet of new office, commercial and industrial facilities, have been constructed by diverse national and regional development companies, including ProLogis, Duke 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. New investment in the Union Centre area, from Ohio 747 on the west to Cincinnati-Dayton to the east in real and personal property exceeds \$720 million since the interchange opened in 1997.

In the past five years alone, new development throughout the township has created nearly 700 new hotel/motel rooms, eighty new restaurants, 13 new banking facilities, three mid-rise office buildings, two universities, a regional medical campus and two regional shopping centers.

Distribution/Manufacturing/Office/Technology

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 Dell, Liz Claiborne, Totes Isotoner, Isuzu Motors/Promax, Cornerstone Brands, US Foodservice, Tropicana Products, Crescent Park Distribution Center, and Jack of All Games. These companies represent more than 6.5 million square feet of space and 4000 employees.

The top five manufacturing employers in the Township combined have more than 2,500 employees. These are: FKI Logistex (formerly Buschman Company), manufactures of conveyor systems; Pierre Frozen Foods, producer of ready-to-eat food items; CTL Aerospace, Inc., producer of fiberglass and plastic parts; O’Gara Hess & Eisenhardt, manufacturer of armor for bulletproofing vehicles, and OPW Fueling Components, manufacturer of fueling nozzles.

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, Rite Track, Xetron, Pole Zero and Atricure/ Enable Medical. Combined, these companies employ more than 1,900 professionals.

Within the 2000+ acres of land opened for development by the Union Centre Boulevard Interchange, a core “Downtown” district of 500 acres is being developed as a Central Business District. A master plan was created to guide development in this prime real estate district in accordance with the community vision while also responding to market demand for raw land with interstate visibility and immediate access. Since the Interchange’s opening there has been significant activity on both the west and east sides of the Interchange, with additional development proposed.

One of the key components of the new Downtown District is the development of Centre Pointe Office Park at Union Centre, the Township’s first Class A office park. Duke Realty is developing Centre Pointe, master-planned corporate office park featuring four 120,000 square buildings. Three of the four buildings have been constructed and in late 2004 construction began on the fourth. National and regional corporations now occupy the park, including GE, United Healthcare, Anthem, and the University of Phoenix – Cincinnati Campus.

Retail

West Chester has been the focus of intense interest for upscale retail development in the past few years. Three distinct districts for shopping, dining and entertainment are emerging at each of the interstate interchanges. The Downtown District is located at Union Centre and I-75 and features the Streets of West Chester – a community town centre with upscale retail tenants, entertainment anchors, and quality restaurants all linked with pedestrian, landscaped, and hardscape (benches, fountains, brick pavers, etc) amenities. The grand opening of the project occurred in Spring 2004. Anchoring the Street development is the Rave Movie Theater, an 18-screen, 79,330 square foot, 4100-seat deluxe movie theater that has become the second largest grossing movie theater in the Cincinnati area. Within the Streets lifestyle development, a new upscale residential village will break ground in 2005. The Villages at the Streets will be a 32-acre “new urban style” condominium and townhouse district featuring pedestrian-oriented design linking the owner-occupied housing directly to the adjacent lifestyle center and European-influenced architecture.

At the middle interchange, Cincinnati-Dayton Road, the Midtown District is under development. The Highlands is a 75-acre mixed-use retail development, anchored by a 204,000 square foot all brick Wal-Mart Super Center. The Highlands project will be the catalyst for redevelopment of this corridor, which currently houses neighborhood service businesses such financial and medical services.

The keystone for retail in the Uptown District at Tylersville is the new 75-acre, \$50 million Voice of America Centre, a 525,000 square foot retail district built by Midland Atlantic in 2001. Adjacent to the Voice of America Centre, a 28,000 Square foot retail center is being developed by Midland Atlantic as Tylersville Corner at Dudley Farms and Miller Valentine is developing the Marketplace of West Chester to service the regional medical campus University Pointe.

Health and Medical Services

A \$100 million, 75-acre regional medical campus named University Pointe is under development at Tylersville and I-75. The region's largest physician group, UC Physicians Group, Inc., has 450 doctors affiliated with the University of Cincinnati, is expanding its medical services to northern Cincinnati and southern Dayton. Construction began in September 2001, and through 2004 these new facilities have opened on the campus: \$12 million, 80,000 square foot medical office building housing an 11,000 square ft. digital imaging facility; a \$12.6 million, 28,000 square foot Surgery Hospital, one completed medical office condominium and one under construction. The digital imaging facility and the second medical office facility 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, a major regional hospital, hotel, conference center, and other facilities. The campus is being developed in partnership with Miller Valentine Group. The campus also houses retail such as restaurants, banks, a spa/salon, and boutique shops. More development and new tenants are in the pipeline for 2005 and beyond.

With the development of University Pointe, West Chester Township has positioned itself as a regional center for the medical and technological sectors. Several recent projects demonstrate that accomplishment: In the Centre Pointe Office Park, newer healthcare tenants include Anthem, Canada Life Assurance Company, Besse Medical Supply, and United Healthcare; together these companies lease nearly 100,000 square feet. Atricure a marketer and manufacturer of surgical devices which expanded in 2004, Mullaney Medical, a retail medical supplier, the community Blood Bank, Wellington Orthopedic and Sports Medicine, All About Health Chiropractic, Beckett Ridge Family Medicine, Howell Rehabilitation, and West Chester Urgent Care; together these companies occupy nearly 60,000 square feet.

MAJOR INITIATIVES

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

Multiple road improvement projects commenced/continued in 2004, including the widening of Interstate 75 from Hamilton County north to the State Route 63 Interchange with major interchange improvements at SR 63 and at I-275, and the upgrade of State Route 747 from south of Smith Road to the Butler County Regional Highway. The City of Fairfield completed a major improvement project in 2004 to upgrade two major commercial and industrial roadways. As part of that project, Muhlhauser Road was widened from State Route 4 in Fairfield east to State Route 747 in West Chester.

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. Proprietary and fiduciary funds use the accrual basis of accounting.

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's current audit year finances.

Cash Management

The Township pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the Ohio Revised Code. The total interest earned by the Township was \$295,975 for the year ended December 31, 2004, which represents an annual interest yield of .9 percent of the total receipts for the year. A majority of the Township's deposits are collateralized by pooled collateral. The pool of securities so pledged must have a current market rate value of at least equal to 105 percent of all public monies on deposit with the depository including the amount covered by federal insurance. The Township regularly reviews the market value of the pool to insure that adequate collateral is being provided.

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 Anthem Healthcare 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 Delta Dental. The employees share 20% of the cost of the monthly premium with the Township. The Township through American United Life provides life insurance for employees at an amount determined by employee classification.

OTHER INFORMATION

Independent Audit

An audit team from Clark, Schaefer, Hackett & Co. has performed this year's audit. The results of the audit are presented in the Report of Independent Accountants.

Awards

For December 2003, West Chester Township submitted its Comprehensive Annual Financial Report (CAFR) to The Government Finance Officers Association of the United States and Canada (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. West Chester Township was a recipient of this award for the 2003 CAFR and anticipates receiving the commendation again for 2004.

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


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

Acknowledgments

Our appreciation is extended to the Board of Trustees, the Clerk/Treasurer, all 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.

We would like to especially recognize the finance department staff for their efforts and dedication in preparing this report. A special thanks is due to Jayne Daunt, Julie Flake and Michele Hunkler.

Sincerely,

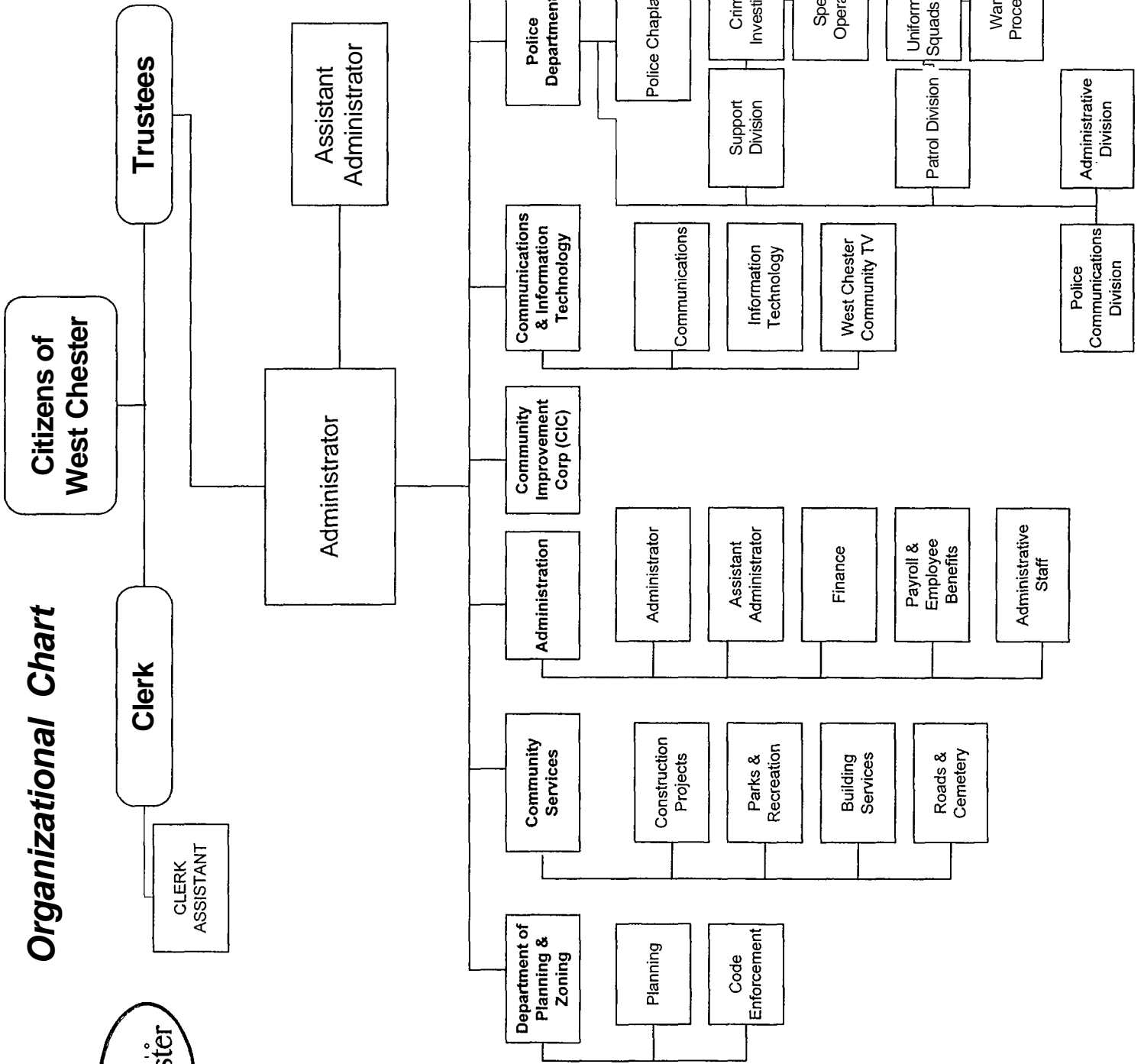


Judith A. Carter
Township Administrator



Kacey L. Waggaman
Finance Director

Organizational Chart



West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2004



George Lang
Township Trustee



Catherine Stoker
Township Trustee



José Alvarez
Township Trustee



Patricia Williams
Township Clerk



Judith Carter
Township Administrator

West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2004
(continued)

Elected Officials

Trustee	Jose Alvarez
Trustee	Catherine Stoker
Trustee	George Lang
Clerk/Treasurer	Patricia Williams

Appointed Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Chester Township,
Butler County, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Zjelke

President

Jeffrey R. Emmer

Executive Director

FINANCIAL SECTION



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Township Trustees
West Chester Township, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Chester Township, Ohio as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2005, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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's Discussion and Analysis and the budgetary comparison information on pages 3-9 and 39-43, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Chester Township, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Harkett & Co.

Cincinnati, Ohio
May 20, 2005

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

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, 2004.

FINANCIAL HIGHLIGHTS

- The Township's total net assets increased \$0.1 million.
- Capital assets increased by \$5.6 million.
- General revenues accounted for \$26.9 million in revenue or 93.0 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$2.0 million or 7.0 percent of \$28.9 million in total revenues.
- At the end of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$25.9 million. Of this amount \$18.1 million 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 \$2.1 million or 51.0 percent of total general fund expenditures and other financing uses.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE TOWNSHIP AS A WHOLE

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

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

While this document contains information about the funds used by the Township to provide services to our citizens, the view of the Township as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" 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
(Unaudited)
For the Year Ended December 31, 2004

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

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

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

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

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

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 2004 compared to 2003.

TABLE 1 - NET ASSETS
(in Millions)

	Governmental Activities	
	2004	2003
Assets		
Current and Other Assets	\$60.1	\$56.7
Capital Assets, Net	71.6	66.0
Total Assets	131.7	122.7
Liabilities		
Current and Other Liabilities	23.6	17.2
Long-Term Liabilities		
Due within One Year	2.1	1.7
Due in More Than One Year	39.4	37.3
Total Liabilities	65.1	56.2
Net Assets		
Invested in Capital Assets, Net of Debt	37.8	28.0
Restricted for:		
Debt Service	2.1	3.6
Capital Improvements	3.1	1.3
Other Purposes	10.1	15.2
Unrestricted	13.5	18.4
Total Net Assets	\$66.6	\$66.5

Total net assets increased \$0.1 million and the Township had a net capital asset increase over \$5.6 million for 2004 due to the completion of the safety services building and construction expenses on the Port Union Canal bike trail, Clean Ohio Conservation Corridor, and the Beckett Park Baseball Complex and Muhlhauser Barn projects.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

Governmental Activities

The primary focus of governmental activities is on public safety, which represents the police, fire and emergency medical services departments of the Township. For 2004, total expenses were \$14.3 million representing 49.7% of governmental activity spending yielding a reliance on general revenues to fund the program of \$12.9 million after direct support to their programs.

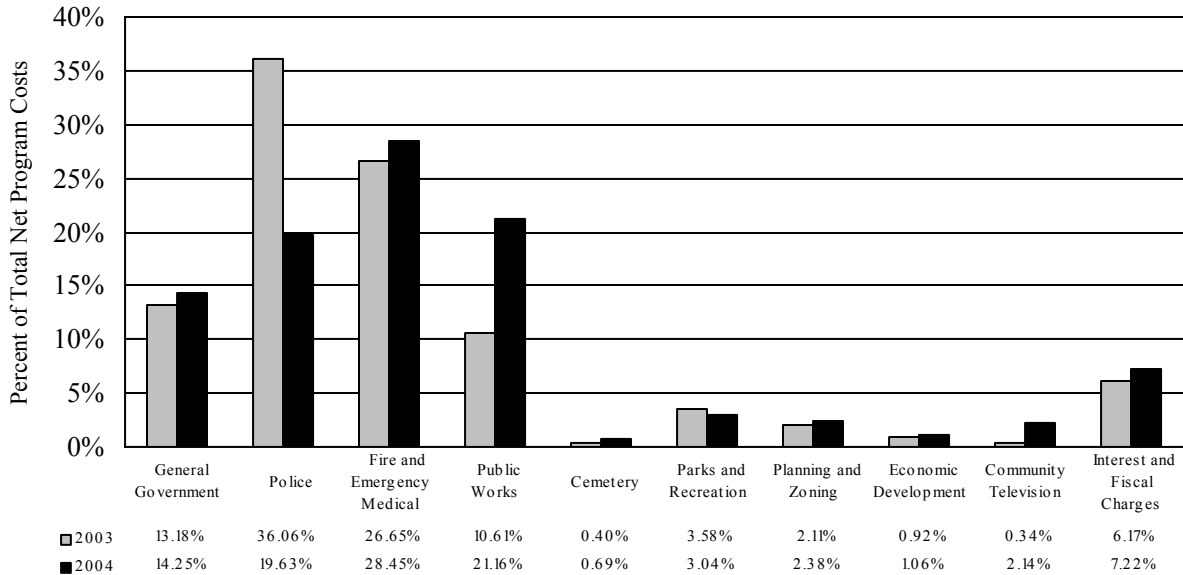
The changes in net assets for 2003 and 2004 are outlined below,

TABLE 2 – CHANGE IN NET ASSETS
(in Millions)

	Governmental Activities	
	2004	2003
	<u> </u>	<u> </u>
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$1.2	\$.9
Operating Grants and Contributions	<u>.8</u>	<u>0.7</u>
Total Program Revenues	<u>2.0</u>	<u>1.6</u>
<i>General Revenues</i>		
Property and Other Taxes	24.0	30.3
Grants and Entitlements	1.8	8.0
Unrestricted Investment Earnings	.3	.3
Miscellaneous	<u>.8</u>	<u>0.4</u>
Total General Revenues	<u>26.9</u>	<u>39.0</u>
Total Revenues	<u>28.9</u>	<u>40.6</u>
Program Expenses:		
General Government	3.9	3.8
Public Safety		
Police	5.4	9.2
Fire and Emergency Medical Services	8.9	6.8
Public Works	6.0	3.2
Cemetery	.3	0.2
Parks and Recreation	.9	0.9
Planning and Zoning	.6	0.5
Economic Development	.3	0.2
Community Television	.6	0.5
Interest and Fiscal Charges	<u>1.9</u>	<u>1.6</u>
Total Expenses	<u>28.8</u>	<u>26.9</u>
Increase in Net Assets	.1	13.7
Net Assets Beginning of Year	<u>66.5</u>	<u>52.8</u>
Net Assets End of Year	<u>66.6</u>	<u>\$66.5</u>

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

Net program cost for 2004 and 2003 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 4.3% of revenue, while 83.2% 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 \$32.4 million and expenditures of \$35.6 million.

The Police fund balance increased \$0.7 million due to levy revenues exceeding expenditures.

The Fire and Emergency Medical Services fund balance increased \$0.5 million. This increase is due to the Township initiating a charge for emergency medical services.

The State Route 747 Tax Incremental Financing Capital fund balance decreased by \$3.8 million due to capital expenditures related to the new police and court facility located at the West Chester Safety & Services Center.

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

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

Budgetary Activity and Actual Results

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

During 2004, there was one revision to the General, Police, and Fire and Emergency Medical Services funds budgets. For the General Fund, actual revenues were within 2.0 percent of final budget and actual expenditures plus encumbrances were 67.0 percent of final budget amounts. The main variances were property and other taxes on the revenue side and capital outlay on the expenditure side. The Township anticipated that renovation costs for the 9113 building would be paid from the general fund; however, bond anticipation notes were issued and recorded in a separate capital projects fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 – NET CAPITAL ASSETS
(In Millions)

	2004	2003
Land	\$16.4	\$16.4
Land Improvements	.6	0.7
Buildings and Improvements	9.7	3.3
Infrastructure	30.7	31.4
Machinery and Equipment	3.4	3.2
Construction in Progress	10.8	11.0
Totals	\$71.6	\$66.0

Additional information regarding capital assets can be found in Note 6 to the Basic Financial Statements.

Debt

At December 31, 2004 the West Chester Township had \$36.1 million in unvoted general obligation bonds and \$3.7 million in TIF revenue bonds. The Township paid \$1.4 million in principal on general obligation bonds during 2004 and made no principal payment on the newly issued TIF revenue bonds.

The Township's overall legal debt margin was \$145,523,447 at December 31, 2004. Long-term debt and short-term debt obligations are discussed in Note 8 and 9 of the Notes to the Basic Financial Statements.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2004

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 2004.

CONTACTING THE TOWNSHIP'S FINANCE DEPARTMENT

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

West Chester Township
Butler County, Ohio
Statement of Net Assets
December 31, 2004

	Governmental Activities
Assets:	
<i>Current:</i>	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 32,116,108
Receivables (net of allowance for doubtful accounts):	
Taxes-Real & Personal Property	17,678,774
Payments in Lieu of Taxes	5,438,037
Accounts	382,082
Intergovernmental	2,927,206
Special Assessments	390,441
Prepaid Items	390,770
<i>Noncurrent:</i>	
Bond Issuance Costs	814,384
Land and Construction in Progress	27,223,198
Depreciable Capital Assets	44,382,645
	131,743,645
 Total Assets	 131,743,645
 Liabilities:	
<i>Current:</i>	
Accounts Payable	240,395
Contracts Payable	283,903
Retainage Payable	71,998
Accrued Wages and Benefits	617,387
Intergovernmental Payable	889,786
Accrued Interest Payable	149,358
Notes Payable	4,525,000
Deferred Revenue	16,795,829
<i>Noncurrent:</i>	
Long Term Liabilities due within 1 year	2,112,631
Long Term Liabilities due over 1 year	39,416,817
	65,103,104
 Total Liabilities	 65,103,104
 Net Assets:	
Investment in Capital Assets, net debt	37,827,544
Restricted:	
Other Purposes	10,135,916
Debt Service	2,083,319
Capital Improvements	3,079,337
Unrestricted	13,514,425
Total Net Assets	66,640,541
Total Net Assets and Liabilities	\$ 131,743,645

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2004

<u>Function/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General Government	\$ (3,260,737)	\$ 19,460	\$ 88,627	\$ (3,152,650)
Public Safety				
Police	(9,065,050)	159,019	14,421	(8,891,610)
Fire and Emergency Medical Services	(7,368,477)	1,002,201	247,261	(6,119,015)
Public Works	(5,023,063)		377,463	(4,645,600)
Cemetery	(206,496)	64,950		(141,546)
Parks and Recreation	(693,239)		20,991	(672,248)
Planning and Zoning	(530,879)		2,740	(528,139)
Economic Development	(235,185)			(235,185)
Community Television	(477,676)	1,040		(476,636)
Interest and Fiscal Charges	(1,898,140)	-	-	(1,898,140)
Totals	<u>\$ (28,758,942)</u>	<u>\$ 1,246,670</u>	<u>\$ 751,503</u>	<u>(26,760,769)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	1,964,899
Public Works	940,549
Public Safety - Police	9,928,180
Public Safety - Fire	5,968,661
Payments in Lieu of Taxes	4,791,608
Permissive Taxes	445,097
Grants and Contributions not restricted to specific programs	1,748,477
Unrestricted investment earnings	295,975
Miscellaneous	798,621
Total General Revenues	<u>26,882,067</u>
Change in Net Assets	121,298
Net Assets-Beginning of Year	66,519,243
Net Assets-End of Year	<u>\$ 66,640,541</u>

See accompanying notes to the basic financial statements

West Chester Township, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	General	Police	Fire & EMS	State Route 747 TIF Capital	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 2,202,312	\$ 7,733,171	\$ 3,036,813	\$ 713,971	\$ 18,429,841	\$ 32,116,108
Receivables:						
Taxes	1,262,110	9,653,092	5,520,268	-	1,243,304	17,678,774
Accounts	32,932	529	216,113	-	132,508	382,082
Due From Other Governments	1,501,999	604,729	526,163	-	294,315	2,927,206
Special Assessments	125,000	-	-	-	265,441	390,441
Prepaid Items	97,360	143,582	84,479	-	65,349	390,770
Advances to Other Funds	200,000	-	-	-	1,439,669	1,639,669
Payment in Lieu of Taxes Receivable	-	-	-	-	5,438,037	5,438,037
Total Assets	\$ 5,421,713	\$ 18,135,103	\$ 9,383,836	\$ 713,971	\$ 27,308,464	\$ 60,963,087
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 12,864	\$ 37,661	\$ 83,985	\$ -	\$ 105,885	\$ 240,395
Contracts Payable	1,856	9,231	-	-	272,816	283,903
Accrued Wages and Benefits	74,327	300,756	185,967	2,092	54,245	617,387
Matured Compensated Absences Payable	17,644	16,135	12,900	-	6,142	52,821
Retainage Payable	-	-	-	-	71,998	71,998
Intergovernmental Payable	105,998	359,628	362,779	-	61,381	889,786
Deferred Revenue	2,911,808	10,258,215	6,201,815	-	7,350,006	26,721,844
Advances from Other Funds	-	-	-	-	1,639,669	1,639,669
Notes Payable	-	-	-	-	4,525,000	4,525,000
Total Liabilities	3,124,497	10,981,626	6,847,446	2,092	14,087,142	35,042,803
Fund Balances						
Reserved for Encumbrances	134,423	242,975	722,403	444,939	5,867,972	7,412,712
Reserved for Prepays	97,360	143,582	84,479	-	65,349	390,770
Unreserved:						
Undesignated, Reported in:						
General Fund	2,065,433	-	-	-	-	2,065,433
Special Revenue Funds	-	6,766,920	1,729,508	-	2,392,285	10,888,713
Debt Service Fund	-	-	-	-	2,083,319	2,083,319
Capital Projects Funds	-	-	-	266,940	2,812,397	3,079,337
Total Fund Balances	2,297,216	7,153,477	2,536,390	711,879	13,221,322	25,920,284
Total Liabilities and Fund Balances	\$ 5,421,713	\$ 18,135,103	\$ 9,383,836	\$ 713,971	\$ 27,308,464	\$ 60,963,087

See accompanying notes to the basic financial statements

West Chester Township, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2004

Total Governmental Fund Balances \$ 25,920,284

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

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

Land	16,400,198	
Construction in progress	10,823,000	
Infrastructure	54,569,167	
Other capital assets	23,561,110	
Accumulated depreciation	<u>(33,747,632)</u>	
Total capital assets		71,605,843

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

Property Taxes	1,090,063	
Payment in Lieu of Taxes	5,438,037	
Special Assessments	390,441	
Due From Other Governments	2,686,579	
Accounts Receivable	<u>320,895</u>	
		9,926,015

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

Accrued interest on bonds	(149,358)	
Premium/Discount on bonds	(548,745)	
Unamortized issuance costs	814,384	
Bonds	(39,805,000)	
Compensated absences	<u>(1,122,882)</u>	
Total liabilities		<u>(40,811,601)</u>

Net Assets of Governmental Activities \$ 66,640,541

See accompanying notes to the basic financial statements

West Chester Township, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Police	Fire & EMS	State Route 747 TIF Capital	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 1,982,105	\$ 9,928,180	\$ 5,968,661	\$ -	\$ 1,367,701	\$ 19,246,647
Charges for Services	2,793	150,844	846,817	-	74,165	1,074,619
Licenses and Permits	110,166	-	-	-	478,233	588,399
Fines and Forfeitures	315,167	-	-	-	69,605	384,772
Intergovernmental	2,538,160	1,110,154	756,953	-	538,223	4,943,490
Special Assessments	2,740	-	-	-	244,832	247,572
Interest	255,069	-	-	14,757	26,149	295,975
Payments in Lieu of Taxes	-	-	-	-	5,438,037	5,438,037
Contributions and Donations	88,627	525	100	-	18,949	108,201
Other	18,065	1,323	-	-	8,166	27,554
Total Revenues	5,312,892	11,191,026	7,572,531	14,757	8,264,060	32,355,266
Expenditures						
Current:						
General Government	2,474,308	-	-	-	440,478	2,914,786
Public Safety						
Police	-	9,105,972	-	-	111,385	9,217,357
Fire & EMS	-	-	6,801,084	-	-	6,801,084
Public Works	22,883	-	-	-	3,283,968	3,306,851
Cemetery	-	-	-	-	182,833	182,833
Parks and Recreation	639,517	-	-	-	10,037	649,554
Planning and Zoning	490,291	-	-	-	-	490,291
Economic Development	225,490	-	-	-	-	225,490
Community Television	-	-	-	-	375,995	375,995
Capital Outlay	154,609	1,429,716	144,090	3,763,669	2,609,425	8,101,509
Debt Service						
Principal Retirement	-	-	55,000	-	1,300,000	1,355,000
Interest and Fiscal Charges	-	-	68,963	-	1,903,584	1,972,547
Total Expenditures	4,007,098	10,535,688	7,069,137	3,763,669	10,217,705	35,593,297
Excess of Revenues Over (Under) Expenditures	1,305,794	655,338	503,394	(3,748,912)	(1,953,645)	(3,238,031)
Other Financing Sources (Uses)						
Proceeds of Bonds	-	-	-	-	3,725,000	3,725,000
Premium from Notes Issued	-	-	-	-	19,955	19,955
Transfers - In	-	-	-	-	4,560,000	4,560,000
Transfers - Out	(60,000)	-	-	-	(4,500,000)	(4,560,000)
Total Other Financing Sources (Uses)	(60,000)	-	-	-	3,804,955	3,744,955
Net Change in Fund Balance	1,245,794	655,338	503,394	(3,748,912)	1,851,310	506,924
Fund Balances at Beginning of Year	1,051,422	6,498,139	2,032,996	4,460,791	11,370,012	25,413,360
Fund Balances at End of Year	\$ 2,297,216	\$ 7,153,477	\$ 2,536,390	\$ 711,879	\$ 13,221,322	\$ 25,920,284

See accompanying notes to the basic financial statements

West Chester Township, Ohio
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2004

Net Change in Fund Balances - Total Governmental Funds		\$ 506,924
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital Asset Additions	8,485,611	
Capital Asset Deletions	(91,327)	
Current Year Depreciation	<u>(2,816,318)</u>	
		5,577,966
<p>Because some revenues will not be collected for several months after the Township's year-end, they are not considered "available" revenues and are reported as deferred revenue in the governmental funds.</p>		
Property Taxes	739	
Payment in Lieu of Taxes	(646,429)	
Due From Other Governments	(2,928,688)	
Special Assessments	132,631	
Charges for Services	(92,893)	
Accounts Receivable	35,037	
Contributions and Donations	<u>(500)</u>	
		(3,500,103)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Bond Principal Retirement		1,355,000
<p>In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		(4,489)
<p>Governmental funds report premiums, discounts and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities</p>		
Amortization of Bond Issuance Costs		58,941
<p>Bond Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. However, in the government-wide statements, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
Bond Proceeds		(3,725,000)
Bond Premiums/Discounts on Issue		25,077
<p>Compensated Absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		<u>(173,018)</u>
Change in Net Assets of Governmental Activities		<u>\$ 121,298</u>

See accompanying notes to the basic financial statements

West Chester Township
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2004

Assets	
Equity in Pooled Cash, Cash Equivalents, and Investments	<u>\$164,794</u>
Total Assets	<u><u>\$164,794</u></u>
Liabilities	
Intergovernmental Payable	\$164,794
Undistributed Monies	<u>0</u>
Total Liabilities	<u><u>\$164,794</u></u>

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, 2004

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.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board; and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organizations. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes, or determines the budget. For 2004, the Township did not have any component units.

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

B. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Township only has the governmental category of funds.

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

General Fund The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Fiduciary Funds The Township's only fiduciary fund is an agency fund. Agency funds are used to report resources held by the Township in a purely custodial capacity. The Township's agency fund was established to account for the grant revenues and expenditures created by the Butler County DUI Taskforce Grant. The Township is the administrative task force member for the 2004 grant year.

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, 2004

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 4.) 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, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

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

Interest is distributed according to Ohio statutes. Interest revenue credited to the general fund during 2004 amounted to \$408,423, which includes \$388,572 assigned from other Township funds.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (continued)

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

G. Capital Assets

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

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

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

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

H. Compensated Absences

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (continued)

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. Matured vacation leave represents the entire current portion. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

The entire compensated absence liability is reported on the government-wide statement of net assets.

I. Long-Term Obligations

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

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

J. Fund Balance Reserves

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

K. Net Assets

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

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

L. Interfund Activity

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (continued)

- Long-term interfund loans are classified as “advances to/from other funds” and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental activities columns of the statement of net assets.

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.

Note 3 - Deposits and Investments

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

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

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

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 3 - Deposits and Investments (continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Clerk/Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 3 - Deposits and Investments (continued)

Deposits At year end, the carrying amount of the Township's deposits was \$12,341,416 and the bank balance was \$12,627,992. Of the bank balance, \$200,000 was covered by federal deposit insurance. The Township had specific pledged collateral for \$5,304,246 with the remaining \$7,123,746 being uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust departments in the Township's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

Investments

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

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

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

The Township's Investments at December 31, 2004, are summarized below:

	Category 2	Unclassified	Fair Value
Federal Home Loan Mortgage Corp. Notes	\$6,023,660	\$0	\$6,023,660
Federal Home Loan Bank Notes	6,641,834	0	6,641,834
Federal Farm Credit Bank Notes	1,141,895	0	1,141,895
Federal National Mortgage Assoc. Notes	5,985,863	0	5,985,863
Money Market Mutual Funds	0	36,611	36,611
U.S. Treasury Notes	109,623	0	109,623
	<u>\$19,902,875</u>	<u>\$36,611</u>	<u>\$19,939,486</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:

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 3 - Deposits and Investments (continued)

	Cash and Cash Equivalents	Investments
Cash, Cash Equivalents and Investments	\$32,280,902	\$0
Investments:		
Federal Home Loan Mortgage Corp. Notes	(6,023,660)	6,023,660
Federal Home Loan Bank Notes	(6,641,834)	6,641,834
Federal Farm Credit Bank Notes	(1,141,895)	1,141,895
Federal National Mortgage Assoc. Notes	(5,985,863)	5,985,863
Money Market Mutual Funds	(36,611)	36,611
U.S. Treasury Notes	(109,623)	109,623
GASB Statement No. 3	\$12,341,416	\$19,939,486

Note 4 - Receivables

Receivables at December 31, 2004, 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.

Allowances for doubtful accounts have been recorded in the Fire and EMS fund in the amount of \$230,705. This amount represents outstanding accounts that have aged 120+ days in the EMS billing system.

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 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

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. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 4 – Receivables (continued)

The full tax rate for all Township operations for the year ended December 31, 2004, was \$13.09 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property – Residential, Agricultural and Other	\$1,556,574,080
Personal Property	196,317,964
Public Utility (Personal Property)	48,309,760
Total Valuation	\$1,801,201,804

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, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, they were not levied to finance 2004 operations. The receivable is therefore offset by deferred revenue in the governmental fund financial statements presented on a modified accrual basis.

B. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Local Government and Local Government	
Revenue Assistance	\$934,045
Estate Tax	478,353
Homestead and Rollback	1,201,239
Senate Bill #3 Reimbursement	90,982
Gasoline and Excise Tax	129,371
Motor Vehicle License Tax	71,953
Clean Ohio Grant	12,026
Governor’s Highway Safety Grant	716
Fines, Fees and Forfeitures	8,521
Total	\$2,927,206

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 5 - 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 2004, 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 Anthem Blue Cross/Blue Shield. Employees share no cost of the monthly premium with the Township. The premiums vary with the employee, depending upon type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. The employees share 20% of the cost of the monthly premium with the Township. The Township through Union Central Life provides life insurance for employees at an amount determined by employee classification.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 1/1/2004	Additions	Deductions	Balance 12/31/2004
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$16,400,198	\$0	\$0	\$16,400,198
Construction in Progress	11,079,559	2,606,773	(2,863,332)	10,823,000
Total Capital Assets, not being depreciated	27,479,757	2,606,773	(2,863,332)	27,223,198
Capital Assets, being Depreciated:				
Land Improvements	1,455,782	0	0	1,455,782
Buildings and Improvements	4,602,124	6,528,573	0	11,130,697
Infrastructure	53,833,569	735,598	0	54,569,167
Machinery and Equipment	9,587,959	1,477,999	(366,471)	10,699,487
Total Capital Assets, being Depreciated	69,479,434	8,742,170	(366,471)	77,855,133
Less Accumulated Depreciation:				
Land Improvements	775,941	72,060	0	848,001
Buildings and Improvements	1,318,026	101,078	0	1,419,104
Infrastructure	22,410,922	1,522,708	0	23,933,630
Machinery and Equipment	6,426,425	1,120,472	(275,144)	7,271,753
Total Accumulated Depreciation	30,931,314	2,816,318	(275,144)	33,472,488
Total Capital Assets, being Depreciated, Net	38,548,120	5,925,852	(91,327)	44,382,645
Governmental Activities Capital Assets, Net	\$66,027,877	8,532,625	(2,954,659)	71,605,843

Depreciation expense was charged to governmental functions as follows:

General Government	\$338,555
Public Safety	
Police	300,230
Fire and Emergency Medical Services	378,116
Economic Development	26
Public Works	1,608,568
Cemetery	13,025
Park and Recreation	17,661
Planning and Zoning	13,317
Community Television	146,820
Total Depreciation Expense	\$2,816,318

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 7 - 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 8 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the Township during 2004 follows:

	Amount Outstanding 1/1/2004	Additions	Deletions	Amount Outstanding 12/31/2004	Amounts Due in One Year
<u>Governmental Activities</u>					
<u>Unvoted General Obligation Bonds</u>					
2001 – 4.00% - 5.50%					
Various Purpose Refunding Bonds	\$10,690,000	0	(450,000)	10,240,000	460,000
2002 – 2.15% - 5.75%					
Various Purpose Bonds	14,545,000	0	(485,000)	14,060,000	495,000
2003 – 2.00% - 5.25%					
Various Purpose Bonds	12,200,000	0	(420,000)	11,780,000	425,000
<u>Revenue Bonds</u>					
2004 – variable rate					
TIF Revenue Bonds	0	3,725,000	0	3,725,000	180,000
<u>Other Long Term Obligations</u>					
Premium on 2002 G.O. Bonds	389,543	0	(17,706)	371,837	0
Premium on 2003 G.O. Bonds	184,279	0	(7,371)	176,908	0
Compensated Absences	1,017,472	158,231	0	1,175,703	552,631
Total Governmental Activities	<u>\$39,026,294</u>	<u>3,903,186</u>	<u>(1,380,077)</u>	<u>41,529,448</u>	<u>2,112,631</u>

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 8 - Long-Term Obligations (continued)

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

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

The 2004 Variable Rate Tax Increment Financing Revenue Bonds were issued for the Streets of West Chester development project and are supported by payments in lieu of taxes received by the Township from the parcels contained within the project boundaries. The revenues as well as the debt service payments will be accounted for in the Streets of West Chester capital projects fund. The Township holds a service agreement with the project developer which stipulates that the developer must hold a letter of credit until such time that an agreed upon coverage ratio is reached.

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

The Township's overall legal debt margin was \$145,523,447 at December 31, 2004. Principal and interest requirements to retire the long-term debt obligations at December 31, 2004, are as follows:

2001 Various Purpose Refunding Bonds			
Years	Principal	Interest	Total
2005	\$460,000	\$487,020	\$947,020
2006	480,000	468,620	948,620
2007	500,000	449,420	949,420
2008	515,000	429,420	944,420
2009	540,000	407,790	947,790
2010-2014	3,035,000	1,665,605	4,700,605
2015-2019	3,825,000	830,688	4,655,688
2020	885,000	44,250	929,250
	\$10,240,000	\$4,782,813	\$15,022,813

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 8 - Long-Term Obligations (continued)

2002 Various Purpose General Obligation Bonds

Years	Principal	Interest	Total
2005	\$495,000	\$707,425	\$1,202,425
2006	510,000	691,833	1,201,833
2007	530,000	674,238	1,204,238
2008	550,000	654,098	1,204,098
2009	565,000	632,098	1,197,098
2010-2014	3,255,000	2,761,723	6,016,723
2015-2019	4,230,000	1,776,025	6,006,025
2020-2024	3,420,000	565,000	3,985,000
2025	505,000	25,250	530,250
	<u>\$14,060,000</u>	<u>\$8,487,688</u>	<u>\$22,547,690</u>

2003 Various Purpose General Obligation Bonds

Years	Principal	Interest	Total
2005	\$425,000	\$504,738	\$929,738
2006	435,000	496,237	931,237
2007	440,000	487,537	927,537
2008	455,000	477,196	932,196
2009	465,000	464,912	929,912
2010-2014	2,585,000	2,077,007	4,662,007
2015-2019	3,175,000	1,478,490	4,653,490
2020-2024	2,400,000	648,726	3,048,726
2025-2028	1,400,000	179,250	1,579,250
	<u>\$11,780,000</u>	<u>\$6,814,093</u>	<u>\$18,594,093</u>

2004 Streets of West Chester Revenue Bonds

Years	Principal	Interest	Total
2005	\$180,000	93,125	273,125
2006	185,000	88,625	273,625
2007	190,000	84,000	274,000
2008	195,000	79,250	274,250
2009	195,000	74,375	269,375
2010-2014	1,055,000	296,250	1,351,250
2015-2019	1,200,000	156,875	1,356,875
2020-2022	525,000	19,750	544,750
	<u>\$3,725,000</u>	<u>\$892,250</u>	<u>\$4,617,250</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 9 – Short-Term Debt Obligations

A summary of the short-term note transactions for the year ended December 31, 2004 follows:

<u>Fund/Issue</u>	<u>Amount Outstanding 1/1/2004</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding 12/31/2004</u>
9113 Renovations Fund				
Bond Anticipation Note - 2.05%	\$0	\$2,010,000	\$0	\$2,010,000
Beckett Park Capital Improvements Fund				
Bond Anticipation Note – 2.05%	<u>0</u>	<u>2,515,000</u>	<u>0</u>	<u>2,515,000</u>
Total	<u>\$0</u>	<u>\$4,525,000</u>	<u>\$0</u>	<u>\$4,525,000</u>

Note 10 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All Township full-time employees, other than Firemen, participate in the Ohio Public Employees Retirement System (OPERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS 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. OPERS 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.

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 10 - 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 OPERS law enforcement programs into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and Township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The Township was required to contribute 13.55% of covered payroll for employees and 16.70% for employees engaged in law enforcement and public safety, of which 4% was used to fund healthcare. The Township's required contribution to OPERS for the years ended December 31, 2004, 2003 and 2002 were \$1,043,775, \$875,584 and \$818,928, respectively, equal to the required contributions for each year. The full amount has been contributed for 2003 and 2002. 95 percent has been contributed for 2004, 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, 2004, 2003, and 2002 were \$714,845, \$672,738, and \$441,824, respectively. The full amount has been contributed for 2003 and 2002. 96 percent has been contributed for 2004, with the remainder being reflected as an intergovernmental payable.

Note 11 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides post-employment health care coverage to age and service employees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2004 employer contribution rate was 13.31 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 11 - Postemployment Benefits (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPER's latest actuarial review performed as of December 31, 2003 include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active participants was 369,885. The portion of the Township's 2004 contributions that were used to fund postemployment benefits was approximately \$359,334. At December 31, 2003, the actuarial value of the Retirement System's net assets available for OPERS was \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost methods used, were \$26.9 billion and \$16.4 billion, respectively.

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

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

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. Healthcare funding and accounting is on a pay-as-you-go basis. The total firefighter employee contribution rate is 24% of covered payroll of which 7.75% of covered payroll was applied to the postemployment health care program in 2004.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 11 - 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, 2003, (the latest information available) was 13,662 for police and 10,474 for firefighters. The Fund's total health care expensed for the year ended December 31, 2003 were \$150,853,148, which was net of member contributions of \$17,207,506. The Township's actual contributions for 2004 that were used to fund OPEB were approximately \$340,926.

Note 12 – Interfund Activity

Advances From/Advances To balances at December 31, 2004, consist of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
General Fund	Road and Bridge Fund	\$200,000
State Route 747 Tax	Bike Trail Grant	400,000
Increment Financing	Clean Ohio Grant – Round I	233,651
	Clean Ohio Grant – Round II	806,018
		1,439,669
Grand Total		\$1,639,669

The Township made the following transfers during 2004:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$0	\$60,000
Nonmajor Funds:		
UCB TIF Capital Fund	0	4,500,000
Cemetery Special Revenue Fund	60,000	0
Beckett Park Capital Improvement Capital Projects Fund	3,000,000	
West Chester Community & Recreation Center Capital Projects Fund	1,500,000	0
Total	\$4,560,000	\$4,560,000

All advances to/from other funds were the result of cash flow issues in the payable funds with the majority being related to reimbursable grants. The Road and Bridge fund did not have a large enough carryover balance from the prior year to cover operating expenses before receiving additional revenue.

The General fund transferred \$60,000 to the Cemetery fund for operating expenditures not covered by Cemetery fund revenue. Transfers of \$4,500,000 were made from the UCB TIF Capital Fund to better account for the specified capital projects the Township had issued debt for in 2003. The amounts of \$3,000,000 and \$1,500,000 are equal to the amount of debt issued for each respective project in 2003.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2004

Note 13 - Accountability

The following funds had deficit fund balances as of December 31, 2004:

<u>Special Revenue Funds:</u>	
Road & Bridge	\$125,469
Bike Trail Grant	126,900
Clean Ohio Grant – Round I	4,834
Clean Ohio Grant – Round II	12,034
<u>Capital Projects Fund:</u>	
9113 Building Renovations	\$281,998

The deficits occurring in the Special Revenue Funds have occurred due to the recognition of liabilities, which are primarily accounts payable, contracts payable, and advances due to other funds. When grants, transfers or other revenues are received, and the liability is paid, the deficit will be eliminated.

The deficit occurring in the 9113 Building Renovations Capital Projects Fund is due to the issuance of short-term bond anticipation notes, which are used to finance the project until bonds are issued. These deficits will be alleviated when the bonds are issued or when the notes are paid.

Note 14 - Contingent Liabilities

A. Litigation

West Chester Township is a party to 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, 2004, audits of certain 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, 2004

Note 15 – Significant Contractual Commitments

As of December 31, 2004, 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, 2004:

Description	<u>Remaining Contractual Commitment</u>
B&J Electrical	\$ 41,166
JMW Plumbing	66,785
Performance Site Management	585,888
John P. Tumlin & Sons LTD	318,213
Feldkamp Enterprises	368,743
Messer Construction	50,000
R.J. Beischel Building Co.	<u>312,929</u>
Total	<u>\$ 1,743,724</u>

Note 16 – Related Organization

The Community Improvement Corporation (CIC) is a related organization to the Township. The Township Trustees cannot influence the CIC's operations, nor does the CIC represent a potential financial benefit or burden to the Township. The Township did not make any financial contributions to the CIC during fiscal year 2004. The CIC keeps its own financial records and determines its own budget. Financial information for the CIC may be obtained by writing to the Treasurer, David Jeanmougin, at 9100 Centre Pointe Drive, Suite 140, West Chester, OH 45069.

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, 2004

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$ 1,616,350	\$ 1,616,350	\$ 1,979,457	\$ 363,107
Licenses, Permits, and Fees	220,000	200,000	110,166	(89,834)
Fines and Forfeitures	440,000	400,000	315,167	(84,833)
Intergovernmental	1,500,663	2,501,677	2,443,783	(57,894)
Special Assessments	2,500	2,500	2,740	240
Charges for Services	3,000	3,000	4,293	1,293
Contributions and Donations	85,000	85,000	88,627	3,627
Interest	450,000	450,000	421,663	(28,337)
Other	100,000	251,000	251,075	75
Total Revenue	<u>4,417,513</u>	<u>5,509,527</u>	<u>5,616,971</u>	<u>107,444</u>
Expenditures:				
Current:				
General Government				
Administration	2,890,349	1,703,373	1,657,538	45,835
Buildings and Grounds	-	206,802	51,674	155,128
Communication, Information, and Technology	451,025	465,842	454,254	11,588
Services Department	347,959	373,532	356,015	17,517
Senior Citizens	-	11,430	10,804	626
Total General Government	<u>3,689,333</u>	<u>2,760,979</u>	<u>2,530,285</u>	<u>230,694</u>
Public Works				
Street Lighting	-	36,969	22,883	14,086
Parks and Recreation	848,665	722,915	641,436	81,479
Planning and Zoning	465,036	498,129	491,576	6,553
Economic Development	220,564	228,001	223,647	4,354
Capital Outlay	<u>-</u>	<u>1,988,154</u>	<u>269,909</u>	<u>1,718,245</u>
Total Expenditures	<u>5,223,598</u>	<u>6,235,147</u>	<u>4,179,736</u>	<u>2,055,411</u>
Excess of Revenues Over (Under) Expenditures	<u>(806,085)</u>	<u>(725,620)</u>	<u>1,437,235</u>	<u>2,162,855</u>
Other Financing Uses:				
Operating Transfer-Out	(100,000)	(75,000)	(60,000)	15,000
Advances-Out	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(100,000)</u>	<u>(275,000)</u>	<u>(260,000)</u>	<u>15,000</u>
Net Change in Fund Balance	(906,085)	(1,000,620)	1,177,235	2,177,855
Fund Balance at Beginning of Year	912,511	912,511	912,511	-
Prior Year Encumbrances Appropriated	<u>88,109</u>	<u>88,109</u>	<u>88,109</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 94,535</u>	<u>\$ -</u>	<u>\$ 2,177,855</u>	<u>\$ 2,177,855</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, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 10,109,200	\$ 10,109,200	\$ 9,928,180	\$ (181,020)
Intergovernmental	100,000	100,000	1,123,336	1,023,336
Charges for Services	28,000	28,000	150,709	122,709
Contributions and Donations	500	500	525	25
Other	1,500	1,900	4,146	2,246
Total Revenue	<u>10,239,200</u>	<u>10,239,600</u>	<u>11,206,896</u>	<u>967,296</u>
Expenditures:				
Current:				
Public Safety				
Police	15,115,138	15,575,343	9,099,470	6,475,873
Capital Outlay	<u>2,000,000</u>	<u>1,565,883</u>	<u>1,565,794</u>	<u>89</u>
Total Expenditures	<u>17,115,138</u>	<u>17,141,226</u>	<u>10,665,264</u>	<u>6,475,962</u>
Net Change in Fund Balance	(6,875,938)	(6,901,626)	541,632	7,443,258
Fund Balance at Beginning of Year	6,875,537	6,875,537	6,875,537	-
Prior Year Encumbrances Appropriated	<u>26,089</u>	<u>26,089</u>	<u>26,089</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 25,688</u>	<u>\$ -</u>	<u>\$ 7,443,258</u>	<u>\$ 7,443,258</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, 2004

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 6,098,005	\$ 6,098,005	\$ 5,968,661	\$ (129,344)
Intergovernmental	50,000	50,000	767,473	717,473
Charges for Services	400,000	700,000	788,981	88,981
Contributions and Donations	-	-	100	100
Total Revenue	<u>6,548,005</u>	<u>6,848,005</u>	<u>7,525,215</u>	<u>677,210</u>
Expenditures:				
Current:				
Public Safety				
Fire and EMS	7,876,000	7,800,286	6,907,615	892,671
Capital Outlay	960,211	1,369,751	709,591	660,160
Debt Services:				
Principal Retirement	55,000	55,000	55,000	-
Interest and Fiscal Charges	69,000	69,000	68,963	37
Total Expenditures	<u>8,960,211</u>	<u>9,294,037</u>	<u>7,741,169</u>	<u>1,552,868</u>
Net Change in Fund Balance	(2,412,206)	(2,446,032)	(215,954)	2,230,078
Fund Balance at Beginning of Year	2,412,207	2,412,207	2,412,207	-
Prior Year Encumbrances Appropriated	<u>33,825</u>	<u>33,825</u>	<u>33,825</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 33,826</u>	<u>\$ -</u>	<u>\$ 2,230,078</u>	<u>\$ 2,230,078</u>

See accompanying notes to the required supplementary information

West Chester Township
Butler County, Ohio
Notes To The Required Supplementary Information
For the Year Ended December 31, 2004

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.

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 2004.

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, 2004

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.

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).

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

	General Fund	Police Fund	Fire and EMS Fund
GAAP Basis	\$1,245,794	\$655,338	\$503,394
Adjustments:			
Revenue Accruals	304,079	15,870	(47,316)
Expenditure Accruals	(23,317)	160,335	134,704
Advances	(200,000)	0	0
Encumbrances	(149,321)	(289,911)	(806,736)
Budget Basis	\$1,177,235	\$541,632	(\$215,954)

COMBINING
STATEMENTS AND
INDIVIDUAL
FUND SCHEDULES

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

West Chester Community Television

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

Motor Vehicle License Tax

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

Gasoline Tax

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

Road and Bridge

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

Cemetery

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

Assistance To Firefighters Grant

To account for Federal Grant monies received for reimbursement of fire equipment and training purchases.

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.

Combining Statements – Nonmajor Governmental Funds
(Continued)

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.

Local Law Enforcement Block Grant

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

Purdue Pharma Grant

To account for grant money awarded to the Police Department for their continuing investigations of illegal distributions of prescription drugs in the West Chester area.

Bike Trail Grant

To account for State grant monies received and expenditures made for the construction of the Port Union Canal Bike Trail.

Clean Ohio Grant – Round I

To account for State grant monies received and expenditures made under the first phase of the Clean Ohio Conservation Corridor project.

Clean Ohio Grant – Round II

To account for State grant monies received and expenditures made under the second phase of the Clean Ohio Conservation Corridor project.

Street Lighting

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.

Combining Statements – Nonmajor Governmental Funds
(Continued)

NONMAJOR DEBT SERVICE FUNDS

Union Centre Boulevard Tax Incremental Financing

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

State Route 747 Tax Incremental Financing

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

NONMAJOR CAPITAL PROJECT FUNDS

9113 Building Renovations

To account for debt proceeds and expenditures related to renovating the 9113 Cincinnati-Dayton Road Government Services Building for the purpose of relocating the administrative, communication, and information technology offices.

Union Centre Boulevard Tax Increment Financing

To account for construction costs and related debt proceeds for the Union Centre Boulevard TIF area infrastructure projects.

West Chester Community and Recreation Center

To account for debt proceeds and preliminary planning and design costs for a proposed community center to be located in the Central Business District.

Beckett Park Capital Improvements

To account for debt proceeds and construction costs related to various projects within Beckett Park, including the Baseball Complex, Muhlhauser Barn, and Internal Roadway.

Streets of West Chester

To account for debt proceeds and various costs related to the Streets of West Chester development project.

West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 5,166,462	\$ 2,083,319	\$ 11,180,060	\$ 18,429,841
Receivables				
Taxes	1,243,304	-	-	1,243,304
Payments in Lieu of Taxes	2,973,364	2,464,673	-	5,438,037
Accounts	132,508	-	-	132,508
Intergovernmental	294,315	-	-	294,315
Special Assessments	265,441	-	-	265,441
Advances to Other Funds	1,439,669	-	-	1,439,669
Prepaid Items	65,349	-	-	65,349
	<u>11,580,412</u>	<u>4,547,992</u>	<u>11,180,060</u>	<u>27,308,464</u>
Liabilities:				
Accounts Payable	105,885	-	-	105,885
Contracts Payable	824	-	271,992	272,816
Retainage Payable	-	-	71,998	71,998
Accrued Wages and Benefits	54,245	-	-	54,245
Compensated Absences Payable	6,142	-	-	6,142
Intergovernmental Payable	61,381	-	-	61,381
Advances from Other Funds	1,639,669	-	-	1,639,669
Deferred Revenue	4,885,333	2,464,673	-	7,350,006
Notes Payable	-	-	4,525,000	4,525,000
	<u>6,753,479</u>	<u>2,464,673</u>	<u>4,868,990</u>	<u>14,087,142</u>
Fund Balance:				
Reserved for Encumbrances	2,369,299	-	3,498,673	5,867,972
Reserved for Prepaid Items	65,349	-	-	65,349
Unreserved, Undesignated Reported in:				
Special Revenue	2,392,285	-	-	2,392,285
Debt Service	-	2,083,319	-	2,083,319
Capital Projects	-	-	2,812,397	2,812,397
	<u>4,826,933</u>	<u>2,083,319</u>	<u>6,311,070</u>	<u>13,221,322</u>
Total Liabilities and Fund Balances	<u>\$ 11,580,412</u>	<u>\$ 4,547,992</u>	<u>\$ 11,180,060</u>	<u>\$ 27,308,464</u>

West Chester Township
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 1,367,701	\$ -	\$ -	\$ 1,367,701
Payment in Lieu of Taxes	2,973,364	2,464,673	-	5,438,037
Charges for Services	74,165	-	-	74,165
Licenses and Permits	478,233	-	-	478,233
Fines and Forfeitures	69,605	-	-	69,605
Intergovernmental	538,223	-	-	538,223
Special Assessments	244,832	-	-	244,832
Contributions and Donations	18,949	-	-	18,949
Interest	14,210	-	11,939	26,149
Other	8,166	-	-	8,166
Total Revenues	5,787,448	2,464,673	11,939	8,264,060
Expenditures:				
Current:				
General Government	440,478	-	-	440,478
Public Safety				
Police	111,385	-	-	111,385
Public Works	3,283,968	-	-	3,283,968
Cemetery	182,833	-	-	182,833
Parks and Recreation	10,037	-	-	10,037
Community Television	375,995	-	-	375,995
Capital Outlay	849,898	-	1,759,527	2,609,425
Debt Service:				
Principal Retirement	35,000	1,265,000	-	1,300,000
Interest and Fiscal Charges	45,965	1,623,508	234,111	1,903,584
Total Expenditures	5,335,559	2,888,508	1,993,638	10,217,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	451,889	(423,835)	(1,981,699)	(1,953,645)
Other Financing Sources (Uses):				
Proceeds of Bonds	-	-	3,725,000	3,725,000
Premium on Issued Notes	-	-	19,955	19,955
Transfers In	60,000	-	4,500,000	4,560,000
Transfers Out	-	-	(4,500,000)	(4,500,000)
Total Other Financing Sources (Uses)	60,000	-	3,744,955	3,804,955
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	511,889	(423,835)	1,763,256	1,851,310
Fund Balances at Beginning of Year	4,315,044	2,507,154	4,547,814	11,370,012
Fund Balances at End of Year	<u>\$ 4,826,933</u>	<u>\$ 2,083,319</u>	<u>\$ 6,311,070</u>	<u>\$ 13,221,322</u>

West Chester Township
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Community Television	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 370,455	\$ 18,058	\$ 102,870	\$ 112,187	\$ 17,908
Receivables:					
Taxes	-	-	-	1,212,974	-
Accounts	130,436	-	-	-	-
Due from Other Governments	-	71,953	129,371	80,405	-
Special Assessments Receivable	-	-	-	-	-
Prepaid Items	5,355	-	117	54,310	5,567
Advances to Other Funds	-	-	-	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-	-
Total Assets	\$ 506,246	\$ 90,011	\$ 232,358	\$ 1,459,876	\$ 23,475
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ 1,578	\$ 2,181	\$ 8,073	\$ -	\$ 187
Contracts Payable	90	-	-	-	-
Accrued Wages and Benefits	6,750	-	-	42,161	5,334
Compensated Absences Payable	2,393	-	-	3,749	-
Due to Other Governments	9,087	-	-	46,056	6,238
Deferred Revenue	130,436	66,451	111,834	1,293,379	-
Advances From Other Funds	-	-	-	200,000	-
Total Liabilities	150,334	68,632	119,907	1,585,345	11,759
Fund Balances					
Reserved for Encumbrances	3,209	-	80,434	-	-
Reserved for Prepaids	5,355	-	117	54,310	5,567
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	347,348	21,379	31,900	(179,779)	6,149
Total Fund Balances (Deficit)	355,912	21,379	112,451	(125,469)	11,716
Total Liabilities and Fund Balances	\$ 506,246	\$ 90,011	\$ 232,358	\$ 1,459,876	\$ 23,475

Assistance to Firefighters	UCB Tax Increment Financing	State Route 747 Tax Increment Financing	Drug Law Enforcement	Township Motor Vehicle License Tax	Enforcement & Education
\$ -	\$ 2,336,050	\$ 560,997	\$ 46,315	\$ 89,551	\$ 22,206
-	-	-	-	30,330	-
-	-	-	-	2,072	-
-	-	-	250	-	310
-	-	-	-	-	-
-	-	1,439,669	-	-	-
-	1,066,972	1,906,392	-	-	-
<u>\$ -</u>	<u>\$ 3,403,022</u>	<u>\$ 3,907,058</u>	<u>\$ 46,565</u>	<u>\$ 121,953</u>	<u>\$ 22,516</u>
\$ -	\$ 825	\$ -	\$ 704	\$ 72,268	\$ -
-	-	-	-	734	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,066,972	1,906,392	-	32,402	-
-	-	-	-	-	-
-	1,067,797	1,906,392	704	105,404	-
-	133,868	36,000	793,984	10,467	2,700
-	-	-	-	-	-
-	2,201,357	1,964,666	(748,123)	6,082	19,816
-	2,335,225	2,000,666	45,861	16,549	22,516
<u>\$ -</u>	<u>\$ 3,403,022</u>	<u>\$ 3,907,058</u>	<u>\$ 46,565</u>	<u>\$ 121,953</u>	<u>\$ 22,516</u>

(continued)

West Chester Township
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004
(continued)

	Law Enforcement Block Grant	Purdue Pharma Grant	Bike Trail Grant	Clean Ohio Round I	Clean Ohio Round II
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 10,000	\$ 274,062	\$ 228,817	\$ 793,984
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Due from Other Governments	-	-	-	12,026	-
Special Assessments Receivable	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 274,062</u>	<u>\$ 240,843</u>	<u>\$ 793,984</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 962	\$ -	\$ -
Contracts Payable	-	-	-	-	-
Accrued Wages and Benefits	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	12,026	-
Advances From Other Funds	-	-	400,000	233,651	806,018
Total Liabilities	<u>-</u>	<u>-</u>	<u>400,962</u>	<u>245,677</u>	<u>806,018</u>
Fund Balances					
Reserved for Encumbrances	-	7,490	273,076	228,818	793,984
Reserved for Prepaids	-	-	-	-	-
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	<u>-</u>	<u>2,510</u>	<u>(399,976)</u>	<u>(233,652)</u>	<u>(806,018)</u>
Total Fund Balances (Deficit)	<u>-</u>	<u>10,000</u>	<u>(126,900)</u>	<u>(4,834)</u>	<u>(12,034)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 274,062</u>	<u>\$ 240,843</u>	<u>\$ 793,984</u>

Street Lighting	Cemetary Bequest	Park Trust	Firing Range Trust	Total Nonmajor Special Revenue Funds
\$ 152,530	\$ 14,401	\$ 7,831	\$ 8,240	\$ 5,166,462
-	-	-	-	1,243,304
-	-	-	-	132,508
-	-	-	-	294,315
265,441	-	-	-	265,441
-	-	-	-	65,349
-	-	-	-	1,439,669
-	-	-	-	2,973,364
<u>\$ 417,971</u>	<u>\$ 14,401</u>	<u>\$ 7,831</u>	<u>\$ 8,240</u>	<u>\$ 11,580,412</u>
\$ 19,107	\$ -	\$ -	\$ -	\$ 105,885
-	-	-	-	824
-	-	-	-	54,245
-	-	-	-	6,142
-	-	-	-	61,381
265,441	-	-	-	4,885,333
-	-	-	-	1,639,669
<u>284,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,753,479</u>
-	-	5,269	-	2,369,299
-	-	-	-	65,349
<u>133,423</u>	<u>14,401</u>	<u>2,562</u>	<u>8,240</u>	<u>2,392,285</u>
<u>133,423</u>	<u>14,401</u>	<u>7,831</u>	<u>8,240</u>	<u>4,826,933</u>
<u>\$ 417,971</u>	<u>\$ 14,401</u>	<u>\$ 7,831</u>	<u>\$ 8,240</u>	<u>\$ 11,580,412</u>

West Chester Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Community Television	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	Assistance to Firefighters
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 922,491	\$ -	\$ -
Charges for Services	1,040	-	-	-	64,950	-
Licenses and Permits	428,245	-	-	-	49,988	-
Fines and Forfeitures	-	-	-	-	-	-
Intergovernmental	-	80,987	174,295	112,804	-	168,851
Special Assessments	-	-	-	-	-	-
Interest	-	2,295	2,565	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-
Other	-	-	58	375	12	-
Total Revenues	429,285	83,282	176,918	1,035,670	114,950	168,851
Expenditures:						
General Government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	108,754	124,999	1,194,448	-	-
Cemetery	-	-	-	-	182,753	-
Parks and Recreation	-	-	-	-	-	-
Community Television	375,995	-	-	-	-	-
Capital Outlay	66,498	-	-	19,416	-	168,851
Debt Service						
Principal Retirement	35,000	-	-	-	-	-
Interest and Fiscal Charges	45,965	-	-	-	-	-
Total Expenditures	523,458	108,754	124,999	1,213,864	182,753	168,851
Excess of Revenues Over (Under) Expenditures	(94,173)	(25,472)	51,919	(178,194)	(67,803)	-
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	60,000	-
Total Other Financing Sources (Uses)	-	-	-	-	60,000	-
Net Change in Fund Balance	(94,173)	(25,472)	51,919	(178,194)	(7,803)	-
Fund Balances Beginning of Year	450,085	46,851	60,532	52,725	19,519	-
Fund Balances End of Year	\$ 355,912	\$ 21,379	\$ 112,451	\$ (125,469)	\$ 11,716	\$ -

UCB Tax Increment Financing	State Route 747 Tax Increment Financing	Drug Law Enforcement	Township Motor Vehicle License Tax	Enforcement & Education	Law Enforcement Block Grant	Purdue Pharma Grant	Bike Trail Grant	Clean Ohio Round I
\$ -	\$ -	\$ -	\$ 445,210	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	65,295	-	4,310	-	-	-	-
-	-	-	-	1,286	-	-	-	-
-	-	-	9,114	-	-	-	-	-
1,066,972	1,906,392	-	-	-	-	-	-	-
-	-	-	-	200	-	10,000	-	-
-	-	-	3,015	4,281	-	-	-	-
<u>1,066,972</u>	<u>1,906,392</u>	<u>65,295</u>	<u>457,339</u>	<u>10,077</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
-	440,478	-	-	-	-	-	-	-
1,046,139	448	104,389	568,038	5,236	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
306,164	-	19,600	105,057	-	20,544	-	126,900	4,834
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,352,303</u>	<u>440,926</u>	<u>123,989</u>	<u>673,095</u>	<u>5,236</u>	<u>20,544</u>	<u>-</u>	<u>126,900</u>	<u>4,834</u>
<u>(285,331)</u>	<u>1,465,466</u>	<u>(58,694)</u>	<u>(215,756)</u>	<u>4,841</u>	<u>(20,544)</u>	<u>10,000</u>	<u>(126,900)</u>	<u>(4,834)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(285,331)	1,465,466	(58,694)	(215,756)	4,841	(20,544)	10,000	(126,900)	(4,834)
<u>2,620,556</u>	<u>535,200</u>	<u>104,555</u>	<u>232,305</u>	<u>17,675</u>	<u>20,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,335,225</u>	<u>\$ 2,000,666</u>	<u>\$ 45,861</u>	<u>\$ 16,549</u>	<u>\$ 22,516</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (126,900)</u>	<u>\$ (4,834)</u>

West Chester Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004
(continued)

	Clean Ohio Round II	Street Lighting	Cemetery Bequest	Park Trust	Firing Range Trust	Total Nonmajor Special Revenue Funds
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,701
Charges for Services	-	-	-	-	8,175	74,165
Licenses and Permits	-	-	-	-	-	478,233
Fines and Forfeitures	-	-	-	-	-	69,605
Intergovernmental	-	-	-	-	-	538,223
Special Assessments	-	244,832	-	-	-	244,832
Interest	-	-	236	-	-	14,210
Payments in Lieu of Taxes	-	-	-	-	-	2,973,364
Contributions and Donations	-	-	-	8,749	-	18,949
Other	-	-	-	425	-	8,166
Total Revenues	-	244,832	236	9,174	8,175	5,787,448
Expenditures						
General Government	-	-	-	-	-	440,478
Police	-	-	-	-	1,760	111,385
Public Works	-	241,142	-	-	-	3,283,968
Cemetery	-	-	80	-	-	182,833
Parks and Recreation	-	-	-	10,037	-	10,037
Community Television	-	-	-	-	-	375,995
Capital Outlay	12,034	-	-	-	-	849,898
Debt Service						
Principal Retirement	-	-	-	-	-	35,000
Interest and Fiscal Charges	-	-	-	-	-	45,965
Total Expenditures	12,034	241,142	80	10,037	1,760	5,335,559
Excess of Revenues Over (Under) Expenditures	(12,034)	3,690	156	(863)	6,415	451,889
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	60,000
Total Other Financing Sources (Uses)	-	-	-	-	-	60,000
Net Change in Fund Balance	(12,034)	3,690	156	(863)	6,415	511,889
Fund Balances Beginning of Year	-	129,733	14,245	8,694	1,825	4,315,044
Fund Balances End of Year	\$ (12,034)	\$ 133,423	\$ 14,401	\$ 7,831	\$ 8,240	\$ 4,826,933

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes				-
Franchise Fees	\$ 471,300	\$ 431,300	\$ 428,245	\$ (3,055)
Charges for Services	1,000	1,000	1,040	40
Total Revenue	<u>472,300</u>	<u>432,300</u>	<u>429,285</u>	<u>(3,015)</u>
Expenditures:				
Current:				
Community Television	750,094	715,094	373,972	341,122
Capital Outlay	75,000	74,936	66,498	8,438
Debt Services:				
Principal Retirement	35,000	35,000	35,000	-
Interest and Fiscal Charges	65,000	65,000	45,965	19,035
Total Expenditures	<u>925,094</u>	<u>890,030</u>	<u>521,435</u>	<u>368,595</u>
Excess of Revenues Under Expenditures	<u>(452,794)</u>	<u>(457,730)</u>	<u>(92,150)</u>	<u>365,580</u>
Net Change in Fund Balance	(452,794)	(457,730)	(92,150)	365,580
Fund Balance at Beginning of Year	452,794	452,794	452,794	-
Prior Year Encumbrances Appropriated	<u>4,936</u>	<u>4,936</u>	<u>4,936</u>	-
Fund Balance at End of Year	<u>\$ 4,936</u>	<u>\$ -</u>	<u>\$ 365,580</u>	<u>\$ 365,580</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 66,450	\$ 96,450	\$ 79,282	\$ (17,168)
Interest	5,000	5,000	2,353	(2,647)
Other				-
Total Revenue	<u>71,450</u>	<u>101,450</u>	<u>81,635</u>	<u>(19,815)</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	<u>92,938</u>	<u>144,429</u>	<u>106,585</u>	<u>37,844</u>
Net Change in Fund Balance	(21,488)	(42,979)	(24,950)	18,029
Fund Balance at Beginning of Year	21,488	21,488	21,488	-
Prior Year Encumbrances Appropriated	<u>21,491</u>	<u>21,491</u>	<u>21,491</u>	-
Fund Balance at End of Year	<u>\$ 21,491</u>	<u>\$ -</u>	<u>\$ 18,029</u>	<u>\$ 18,029</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Gasoline Tax Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 42,941	\$ 172,941	\$ 166,992	\$ (5,949)
Interest	3,000	3,000	2,558	(442)
Other	50	50	58	8
Total Revenue	<u>45,991</u>	<u>175,991</u>	<u>169,608</u>	<u>(6,383)</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	<u>91,502</u>	<u>228,319</u>	<u>207,668</u>	<u>20,651</u>
Total Expenditures	<u>91,502</u>	<u>228,319</u>	<u>207,668</u>	<u>20,651</u>
Net Change in Fund Balance	(45,511)	(52,328)	(38,060)	14,268
Fund Balance at Beginning of Year	45,512	45,512	45,512	-
Prior Year Encumbrances Appropriated	<u>6,816</u>	<u>6,816</u>	<u>6,816</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,817</u>	<u>\$ -</u>	<u>\$ 14,268</u>	<u>\$ 14,268</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Road and Bridge Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$ 953,650	\$ 953,650	\$ 922,491	\$ (31,159)
Intergovernmental	14,000	79,000	112,804	33,804
Other	-	-	375	375
Total Revenue	<u>967,650</u>	<u>1,032,650</u>	<u>1,035,670</u>	<u>3,020</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	1,031,403	1,310,942	1,207,361	103,581
Capital Outlay	-	25,000	19,416	5,584
Total Expenditures	<u>1,031,403</u>	<u>1,335,942</u>	<u>1,226,777</u>	<u>109,165</u>
Excess Of Revenues Under Expenditures	<u>(63,753)</u>	<u>(303,292)</u>	<u>(191,107)</u>	<u>112,185</u>
Other Financing Sources (Uses):				
Advances-In	-	200,000	200,000	-
Net Change in Fund Balance	(63,753)	(103,292)	8,893	112,185
Fund Balance at Beginning of Year	63,753	63,753	63,753	-
Prior Year Encumbrances Appropriated	<u>39,539</u>	<u>39,539</u>	<u>39,539</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 39,539</u>	<u>\$ -</u>	<u>\$ 112,185</u>	<u>\$ 112,185</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, 2004

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits, and Fees	\$ 50,000	\$ 50,000	\$ 49,988	\$ (12)
Charges for Services	65,000	55,000	64,950	9,950
Other	-	-	12	12
Total Revenue	<u>115,000</u>	<u>105,000</u>	<u>114,950</u>	<u>9,950</u>
Expenditures:				
Current:				
Cemetery	<u>239,976</u>	<u>189,976</u>	<u>182,239</u>	<u>7,737</u>
Excess Of Revenues Under Expenditures	<u>(124,976)</u>	<u>(84,976)</u>	<u>(67,289)</u>	<u>17,687</u>
Other Financing Sources:				
Transfers - In	<u>100,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total Other Financing Sources	<u>100,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(24,976)	(24,976)	(7,289)	17,687
Fund Balance at Beginning of Year	<u>24,976</u>	<u>24,976</u>	<u>24,976</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,687</u>	<u>\$ 17,687</u>

West Chester Township
 Butler County, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Assistance to Firefighters Grant
 For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	258,798	258,798	168,851	(89,947)
Total Revenue	<u>\$ 258,798.00</u>	<u>\$ 258,798</u>	<u>\$ 168,851</u>	<u>\$ (89,947)</u>
Expenditures:				
Capital Outlay	258,798	258,798	168,851	89,947
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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 Increment Equivalent Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Property Taxes	\$ 1,026,398	\$ 1,026,398	\$ 1,066,972	\$ 40,574
Total Revenue	<u>1,026,398</u>	<u>1,026,398</u>	<u>1,066,972</u>	<u>40,574</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	3,200,000	3,186,050	1,045,634	2,140,416
Capital Outlay	<u>446,954</u>	<u>460,904</u>	<u>440,537</u>	<u>20,367</u>
Total Expenditures	<u>3,646,954</u>	<u>3,646,954</u>	<u>1,486,171</u>	<u>2,160,783</u>
Net Change in Fund Balance	(2,620,556)	(2,620,556)	(419,199)	2,201,357
Fund Balance at Beginning of Year	<u>2,620,556</u>	<u>2,620,556</u>	<u>2,620,556</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,201,357</u>	<u>\$ 2,201,357</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, 2004

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Payments in Lieu of Property Taxes	\$ 367,500	\$ 1,941,500	\$ 1,906,392	(35,108)
Total Revenue	<u>367,500</u>	<u>1,941,500</u>	<u>1,906,392</u>	<u>(35,108)</u>
Expenditures:				
Current:				
General Government Administration	<u>1,270,115</u>	<u>1,439,946</u>	<u>879,892</u>	<u>560,054</u>
Public Works Roads and Bridges	<u>-</u>	<u>500</u>	<u>448</u>	<u>52</u>
Total Expenditures	<u>1,270,115</u>	<u>1,440,446</u>	<u>880,340</u>	<u>560,106</u>
Excess Of Revenues Over Expenditures	<u>(902,615)</u>	<u>501,054</u>	<u>1,026,052</u>	<u>524,998</u>
Other Financing Sources (Uses):				
Advances-Out	<u>-</u>	<u>(1,439,669)</u>	<u>(1,439,669)</u>	<u>-</u>
Net Change in Fund Balance	(902,615)	(938,615)	(413,617)	524,998
Fund Balance at Beginning of Year	902,615	902,615	902,615	-
Prior Year Encumbrances Appropriated	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ 524,998</u>	<u>524,998</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 15,000	\$ 115,000	\$ 65,045	\$ (49,955)
Total Revenue	<u>15,000</u>	<u>115,000</u>	<u>65,045</u>	<u>(49,955)</u>
Expenditures:				
Current:				
Public Safety				
Police	67,051	126,929	106,605	20,324
Capital Outlay	<u>-</u>	<u>95,546</u>	<u>19,600</u>	<u>75,946</u>
Total Expenditures	<u>67,051</u>	<u>222,475</u>	<u>126,205</u>	<u>96,270</u>
Net Change in Fund Balance	(52,051)	(107,475)	(61,160)	46,315
Fund Balance at Beginning of Year	52,050	52,050	52,050	-
Prior Year Encumbrances Appropriated	<u>55,425</u>	<u>55,425</u>	<u>55,425</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 55,424</u>	<u>\$ -</u>	<u>\$ 46,315</u>	<u>\$ 46,315</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	680,000	442,723	445,210	\$ 2,487
Interest	10,000	5,000	9,432	4,432
Other	8,723	1,000	3,015	2,015
Total Revenue	<u>698,723</u>	<u>448,723</u>	<u>457,657</u>	<u>8,934</u>
Expenditures:				
Current:				
Public Works				
Roads and Bridges	926,927	578,560	581,494	(2,934)
Capital Outlay	-	105,057	105,057	-
Total Expenditures	<u>926,927</u>	<u>683,617</u>	<u>686,551</u>	<u>(2,934)</u>
Net Change in Fund Balance	(228,204)	(234,894)	(228,894)	6,000
Fund Balance at Beginning of Year	228,205	228,205	228,205	-
Prior Year Encumbrances Appropriated	<u>6,689</u>	<u>6,689</u>	<u>6,689</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,690</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</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, 2004

	<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	\$ 3,000	\$ 3,000	\$ 4,310	\$ 1,310
Intergovernmental	500	500	976	476
Contributions and Donations		-	200	200
Other	3,049	3,049	4,281	1,232
Total Revenue	<u>6,549</u>	<u>6,549</u>	<u>9,767</u>	<u>3,218</u>
Expenditures:				
Current:				
Public Safety				
Police	<u>24,225</u>	<u>24,225</u>	<u>7,936</u>	<u>16,289</u>
Total Expenditures	<u>24,225</u>	<u>24,225</u>	<u>7,936</u>	<u>16,289</u>
Net Change in Fund Balance	(17,676)	(17,676)	1,831	19,507
Fund Balance at Beginning of Year	<u>17,676</u>	<u>17,676</u>	<u>17,676</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,507</u>	<u>\$ 19,507</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ 25,000	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	45,544	20,544	20,544	-
Total Expenditures	45,544	20,544	20,544	-
Net Change in Fund Balance	(20,544)	(20,544)	(20,544)	-
Fund Balance at Beginning of Year	20,544	20,544	20,544	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Purdue Pharma Grant Fund
For the Year Ended December 31, 2004

	<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	10,000	-
Total Revenue	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Expenditures:				
Current:				
Public Safety				
Police	10,000	10,000	7,490	2,510
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,490</u>	<u>2,510</u>
Net Change in Fund Balance	-	-	2,510	2,510
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,510</u></u>	<u><u>\$ 2,510</u></u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bike Trail Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	400,000	400,000	399,976	24
Total Expenditures	400,000	400,000	399,976	24
Excess Of Revenues Under Expenditures	(400,000)	(400,000)	(399,976)	24
Other Financing Sources (Uses):				
Advances-In	400,000	400,000	400,000	-
Net Change in Fund Balance	-	-	24	24
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>

West Chester Township
 Butler County, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Clean Ohio Grant - Round I Fund
 For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	233,651	233,651	233,651	-
Total Expenditures	233,651	233,651	233,651	-
Excess Of Revenues Under Expenditures	(233,651)	(233,651)	(233,651)	-
Other Financing Sources (Uses):				
Advances-In	233,651	233,651	233,651	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Clean Ohio Grant - Round II Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	806,018	806,018	806,018	-
Total Expenditures	806,018	806,018	806,018	-
Excess Of Revenues Under Expenditures	(806,018)	(806,018)	(806,018)	-
Other Financing Sources (Uses):				
Advances-In	806,018	806,018	806,018	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 225,000	\$ 225,000	\$ 244,832	\$ 19,832
Expenditures:				
Current:				
Public Works				
Street Lighting	370,463	370,463	237,768	132,695
Net Change in Fund Balance	(145,463)	(145,463)	7,064	152,527
Fund Balance at Beginning of Year	145,463	145,463	145,463	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,527</u>	<u>\$ 152,527</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Bequest Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 850	\$ -	\$ 236	\$ 236
Expenditures:				
Current:				
Cemetery	15,095	14,095	80	14,015
Net Change in Fund Balance	(14,245)	(14,095)	156	14,251
Fund Balance at Beginning of Year	14,245	14,245	14,245	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 14,401</u>	<u>\$ 14,251</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Contributions and Donations	\$ 2,000	\$ 10,600	\$ 8,749	\$ (1,851)
Other	500	500	425	(75)
Total Revenue	<u>2,500</u>	<u>11,100</u>	<u>9,174</u>	<u>(1,926)</u>
Expenditures:				
Current:				
Parks and Recreation	<u>9,090</u>	<u>19,794</u>	<u>15,306</u>	<u>4,488</u>
Net Change in Fund Balance	(6,590)	(8,694)	(6,132)	2,562
Fund Balance at Beginning of Year	6,591	6,591	6,591	-
Prior Year Encumbrances Appropriated	<u>2,103</u>	<u>2,103</u>	<u>2,103</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,104</u>	<u>\$ -</u>	<u>\$ 2,562</u>	<u>\$ 2,562</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ -	\$ 7,075	\$ 8,175	\$ 1,100
Expenditures:				
Current:				
Public Safety				
Police	875	8,900	1,760	7,140
Net Change in Fund Balance	(875)	(1,825)	6,415	8,240
Fund Balance at Beginning of Year	1,825	1,825	1,825	-
Fund Balance at End of Year	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 8,240</u>	<u>\$ 8,240</u>

West Chester Township
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004

	<u>UCB TIF</u> <u>Debt Service</u>	<u>747 TIF</u> <u>Debt Service</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,452,272	\$631,047	\$2,083,319
Payment in Lieu of Taxes Receivable	<u>1,969,011</u>	<u>495,662</u>	<u>2,464,673</u>
Total Assets	<u><u>\$3,421,283</u></u>	<u><u>\$1,126,709</u></u>	<u><u>\$4,547,992</u></u>
 Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	<u>\$1,969,011</u>	<u>\$495,662</u>	<u>\$2,464,673</u>
Total Liabilities	<u>1,969,011</u>	<u>495,662</u>	<u>2,464,673</u>
 Fund Balances			
Unreserved, Undesignated, Reported in:			
Debt Service Funds	<u>1,452,272</u>	<u>631,047</u>	<u>2,083,319</u>
Total Fund Balances	<u>1,452,272</u>	<u>631,047</u>	<u>2,083,319</u>
Total Liabilities and Fund Balances	<u><u>\$3,421,283</u></u>	<u><u>\$1,126,709</u></u>	<u><u>\$4,547,992</u></u>

West Chester Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2004

	<u>UCB TIF</u> <u>Debt Service</u>	<u>747 TIF</u> <u>Debt Service</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
Revenues			
Payments in Lieu of Taxes	<u>1,969,011</u>	<u>495,662</u>	<u>2,464,673</u>
Total Revenues	<u>1,969,011</u>	<u>495,662</u>	<u>2,464,673</u>
Expenditures			
Debt Service			
Principal Retirement	930,000	335,000	1,265,000
Interest and Fiscal Charges	<u>1,033,478</u>	<u>590,030</u>	<u>1,623,508</u>
Total Expenditures	1,963,478	925,030	2,888,508
Excess of Revenues Over Exenditures	<u>5,533</u>	<u>(429,368)</u>	<u>(423,835)</u>
Net Change in Fund Balances	5,533	(429,368)	(423,835)
Fund Balances Beginning of Year	<u>1,446,739</u>	<u>1,060,415</u>	<u>2,507,154</u>
Fund Balances End of Year	<u><u>\$1,452,272</u></u>	<u><u>\$631,047</u></u>	<u><u>\$2,083,319</u></u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Union Centre Boulevard Tax Incremental Financing Debt Service Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Leau of Property Taxes	\$ 3,444,428	\$ 822,155	\$ 1,969,011	\$ 1,146,856
Expenditures:				
Debt Services:				
Principal Retirement	2,000,000	1,235,416	930,000	305,416
Interest and Fiscal Charges	1,372,508	1,033,478	1,033,478	-
Total Expenditures	3,372,508	2,268,894	1,963,478	305,416
Excess Of Revenues Under Expenditures	71,920	(1,446,739)	5,533	1,452,272
Other Financing Uses:				
Operating Transfers - Out	-	(1,103,614)	(1,103,614)	-
Total Other Financing Sources	-	(1,103,614)	(1,103,614)	-
Net Change in Fund Balance	71,920	(2,550,353)	(1,098,081)	1,452,272
	-	-		
Fund Balance at Beginning of Year	2,550,353	2,550,353	2,550,353	-
Fund Balance at End of Year	<u>\$ 2,622,273</u>	<u>\$ -</u>	<u>\$ 1,452,272</u>	<u>\$ 1,452,272</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Payments in Leau of Property Taxes	\$ 528,000	\$ 47,960	\$ 495,662	\$ 447,702
Expenditures:				
Debt Services:				
Principal Retirement	500,000	500,000	335,000	165,000
Interest and Fiscal Charges	608,375	608,375	590,030	18,345
Total Expenditures	1,108,375	1,108,375	925,030	183,345
Excess of Revenues Under Expenditures	(580,375)	(1,060,415)	(429,368)	631,047
Net Change in Fund Balance	(580,375)	(1,060,415)	(429,368)	631,047
Fund Balance at Beginning of Year	1,060,415	1,060,415	1,060,415	-
Fund Balance at End of Year	\$ 480,040	\$ -	\$ 631,047	\$ 631,047

West Chester Township
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

	Union Centre Boulevard TIF Capital	West Chester Community and Recreation Center	Beckett Park Capital Improvements	Streets of West Chester	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 1,903,409	\$ 980,302	\$ 4,704,321	\$ 3,502,414	\$ 11,180,060
Total Assets	<u>\$ 1,903,409</u>	<u>\$ 980,302</u>	<u>\$ 4,704,321</u>	<u>\$ 3,502,414</u>	<u>\$ 11,180,060</u>
Liabilities and Fund Balances					
Liabilities:					
Contracts Payable	163,177	-	108,815	-	271,992
Retainage Payable	12,230	-	59,768	-	71,998
Notes Payable	2,010,000	-	2,515,000	-	4,525,000
Total Liabilities	<u>2,185,407</u>	<u>0</u>	<u>2,683,583</u>	<u>0</u>	<u>4,868,990</u>
Fund Balances					
Reserved for Encumbrances	1,897,824	-	1,588,459	-	3,498,673
Unreserved, Undesignated, Reported in: Capital Projects Funds	(2,179,822)	980,302	432,279	3,502,414	2,812,397
Total Fund Balances	<u>(281,998)</u>	<u>980,302</u>	<u>2,020,738</u>	<u>3,502,414</u>	<u>6,311,070</u>
Total Liabilities and Fund Balances	<u>\$1,903,409</u>	<u>\$980,302</u>	<u>\$4,704,321</u>	<u>\$3,502,414</u>	<u>\$11,180,060</u>

West Chester Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004

	9113 Building Renovations	Union Centre Boulevard TIF Capital	Community and Recreation Center	Beckett Park Capital Improvements	Streets of West Chester	Total Nonmajor Capital Projects Funds
Revenues						
Interest	\$ -	\$ 11,939	\$ -	\$ -	\$ -	\$ 11,939
Total Revenues	-	11,939	-	-	-	11,939
Expenditures						
Capital Outlay	290,778	401,151	88,686	978,912	-	1,759,527
Debt Service	-	-	-	11,525	222,586	234,111
Interest and Fiscal Charges						
Total Expenditures	290,778	401,151	88,686	990,437	222,586	1,993,638
Excess of Revenues (Under) Expenditures	(290,778)	(389,212)	(88,686)	(990,437)	(222,586)	(1,981,699)
Other Financing Sources (Uses)						
Proceeds of Bonds	-	-	-	-	3,725,000	3,725,000
Premium on Issued Notes	8,780	-	-	11,175	-	19,955
Transfers In	-	-	1,500,000	3,000,000	-	4,500,000
Transfers Out	-	(4,500,000)	-	-	-	(4,500,000)
Total Other Financing Sources (Uses)	8,780	(4,500,000)	1,500,000	3,011,175	3,725,000	3,744,955
Net Change in Fund Balance	(281,998)	(4,889,212)	1,411,314	2,020,738	3,502,414	1,763,256
Fund Balances (Deficit) at Beginning of Year						
Fund Balances (Deficit) End of Year	\$ (281,998)	\$ 89,614	\$ 980,302	\$ 2,020,738	\$ 3,502,414	\$ 6,311,070

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
9113 Renovations Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	2,018,780	2,018,780	2,017,780	1,000
Total Expenditures	2,018,780	2,018,780	2,017,780	1,000
Excess Of Revenues Under Expenditures	(2,018,780)	(2,018,780)	(2,017,780)	1,000
Other Financing Sources (Uses):				
Premium on Issued Notes	8,780	8,780	8,780	-
Proceeds of Notes	2,010,000	2,010,000	2,010,000	-
Total Other Financing Sources (Uses)	2,018,780	2,018,780	2,018,780	-
Net Change in Fund Balance	-	-	1,000	1,000
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</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, 2004

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$ 19,393	\$ 19,393	\$ 17,839	\$ (1,554)
Other	-	2,622,273	-	(2,622,273)
Total Revenue	<u>19,393</u>	<u>2,641,666</u>	<u>17,839</u>	<u>(2,623,827)</u>
Expenditures:				
Capital Outlay	<u>1,494,781</u>	<u>1,603,315</u>	<u>5,877</u>	<u>1,597,438</u>
Total Expenditures	<u>1,494,781</u>	<u>1,603,315</u>	<u>5,877</u>	<u>1,597,438</u>
Excess Of Revenues Under Expenditures	<u>(1,475,388)</u>	<u>1,038,351</u>	<u>11,962</u>	<u>(1,026,389)</u>
Other Financing Sources:				
Operating Transfers - In	-	-	1,103,614	1,103,614
Operating Transfers - Out	(4,500,000)	(4,500,000)	(4,500,000)	-
Net Change in Fund Balance	(5,975,388)	(3,461,649)	(3,384,424)	77,225
Fund Balance at Beginning of Year	3,353,115	3,353,115	3,353,115	-
Prior Year Encumbrances Appropriated	<u>108,534</u>	<u>108,534</u>	<u>108,534</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (2,513,739)</u>	<u>\$ -</u>	<u>\$ 77,225</u>	<u>\$ 77,225</u>

West Chester Township
 Butler County, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 State Route 747 Tax Incremental Financing Capital Projects Fund
 For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 64,487	\$ 64,487	\$ 23,514	\$ (40,973)
Other	-	480,040	-	(480,040)
Total Revenue	<u>64,487</u>	<u>544,527</u>	<u>23,514</u>	<u>(521,013)</u>
Expenditures:				
Current:				
Buildings and Grounds	-	5,000	2,167	2,833
Capital Outlay	<u>4,588,415</u>	<u>5,679,768</u>	<u>4,892,557</u>	<u>787,211</u>
Total Expenditures	<u>4,588,415</u>	<u>5,684,768</u>	<u>4,894,724</u>	<u>790,044</u>
Net Change in Fund Balance	(4,523,928)	(5,140,241)	(4,871,210)	269,031
Fund Balance at Beginning of Year	1,043,888	1,043,888	1,043,888	-
Prior Year Encumbrances Appropriated	<u>4,096,353</u>	<u>4,096,353</u>	<u>4,096,353</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 616,313</u>	<u>\$ -</u>	<u>\$ 269,031</u>	<u>\$ 269,031</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
West Chester Community and Recreation Center Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	-	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government Administration	1,500,000	1,500,000	519,698	980,302
Total Expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>519,698</u>	<u>980,302</u>
Excess Of Revenues Under Expenditures	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(519,698)</u>	<u>980,302</u>
Other Financing Sources:				
Operating Transfer-In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	980,302	980,302
Fund Balance at Beginning of Year	1,043,888	1,043,888	1,043,888	-
Prior Year Encumbrances Appropriated	<u>4,096,353</u>	<u>4,096,353</u>	<u>4,096,353</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,140,241</u>	<u>\$ 5,140,241</u>	<u>\$ 6,120,543</u>	<u>\$ 980,302</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Beckett Park Capital Improvements Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	3,000,000	5,511,175	2,500,918	3,010,257
Debt Services:				
Interest and Fiscal Charges		15,000	11,525	3,475
Total Expenditures	<u>3,000,000</u>	<u>5,526,175</u>	<u>2,512,443</u>	<u>3,013,732</u>
Excess Of Revenues Under Expenditures	<u>(3,000,000)</u>	<u>(5,526,175)</u>	<u>(2,512,443)</u>	<u>3,013,732</u>
Other Financing Sources:				
Premium on Issued Notes	11,175	11,175	11,175	-
Proceeds of Notes	2,515,000	2,515,000	2,515,000	-
Operating Transfer-In	3,000,000	3,000,000	3,000,000	-
Total Other Financing Sources:	<u>5,526,175</u>	<u>5,526,175</u>	<u>5,526,175</u>	<u>-</u>
Net Change in Fund Balance	2,526,175	-	3,013,732	3,013,732
Fund Balance at Beginning of Year	1,043,888	1,043,888	1,043,888	-
Prior Year Encumbrances Appropriated	<u>4,096,353</u>	<u>4,096,353</u>	<u>4,096,353</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,666,416</u>	<u>\$ 5,140,241</u>	<u>\$ 8,153,973</u>	<u>\$ 3,013,732</u>

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Streets of West Chester Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	4,025,000	2,725,000	-	2,725,000
Debt Services:				
Principal Retirement	500,000	500,000	-	500,000
Interest and Fiscal Charges	<u>500,000</u>	<u>500,000</u>	<u>222,586</u>	<u>277,414</u>
Total Expenditures	<u>5,025,000</u>	<u>3,725,000</u>	<u>222,586</u>	<u>3,502,414</u>
Excess Of Revenues Under Expenditures	<u>(5,025,000)</u>	<u>(3,725,000)</u>	<u>(222,586)</u>	<u>3,502,414</u>
Other Financing Sources:				
Proceeds of Bonds	3,725,000	3,725,000	3,725,000	-
Net Change in Fund Balance	(1,300,000)	-	3,502,414	3,502,414
Fund Balance at Beginning of Year	1,043,888	1,043,888	1,043,888	-
Prior Year Encumbrances Appropriated	<u>4,096,353</u>	<u>4,096,353</u>	<u>4,096,353</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,840,241</u>	<u>\$ 5,140,241</u>	<u>\$ 8,642,655</u>	<u>\$ 3,502,414</u>

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
1995	1,132,674	0	89,293	96,556	200,364	0	0	72,261	0	1,591,148
1996	1,344,943	23,912	44,410	85,498	257,721	0	0	0	0	1,756,484
1997	1,774,337	0	70,317	156,597	257,894	0	0	0	292,835	2,551,980
1998	2,023,506	0	105,392	87,380	319,721	0	0	387,597	0	2,923,596
1999	2,668,154	0	69,083	140,348	389,578	0	0	597,033	0	3,864,196
2000	2,543,572	0	60,245	139,736	726,647	0	0	866,668	410,496	4,747,364
2001	2,416,492	0	45,188	0	633,334	379,476	123,383	346,225	0	3,944,098
2002	2,509,825	0	48,823	0	858,857	453,344	141,032	318,775	0	4,330,656
2003	2,466,579	0	31,199	0	849,770	492,759	213,526	181,749	0	4,235,582
2004	2,474,308	0	22,883	0	639,517	490,291	225,490	154,609	0	4,007,098

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	Special Assessments	Interest	Other Revenue	Total Revenue
1995	678,184	0	103,795	52,789	287,740	0	0	106,363	410,644	1,639,515
1996	847,113	0	182,476	74,565	858,798	0	0	150,115	234,161	2,347,228
1997	917,619	0	111,109	64,748	1,350,555	0	0	290,678	442,571	3,177,280
1998	945,379	0	212,889	85,841	1,801,489	0	0	406,057	386,906	3,838,561
1999	1,010,388	0	134,435	68,615	1,827,739	0	0	418,933	373,600	3,833,710
2000	1,141,392	0	113,158	88,282	1,955,630	0	0	258,646	29,108	3,586,216
2001	1,345,504	18,663	152,814	66,661	1,988,203	5,853	0	334,666	88,443	4,000,807
2002	1,366,545	0	174,368	70,680	1,878,103	17,307	0	405,197	225,298	4,137,498
2003	1,554,271	0	94,430	249,788	2,151,863	104,212	0	233,777	11,507	4,399,848
2004	1,982,105	2,793	110,166	315,167	2,538,160	88,627	2,740	255,069	18,065	5,312,892

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 Nine Years

Collection Year	Current Tax Levy	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections		Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes To Current Tax Levy
						To Current Tax Levy	Delinquent To Current Tax Levy		
1996	9,780,756	9,429,055	96.40%	208,977	\$9,638,032	98.54%	714,210	7.30%	
1997	10,287,457	9,829,761	95.55%	189,782	10,019,543	97.40%	982,124	9.55%	
1998	10,287,456	9,940,052	96.62%	185,188	10,125,240	98.42%	1,144,340	11.12%	
1999	11,071,997	10,525,265	95.06%	313,828	10,839,093	97.90%	1,377,244	12.44%	
2000	12,008,556	11,700,451	97.43%	209,877	11,910,328	99.18%	1,371,521	11.42%	
2001	14,477,757	13,930,695	96.22%	294,933	14,225,628	98.26%	1,161,644	8.02%	
2002	18,948,738	18,438,539	97.31%	550,349	18,988,889	100.21%	1,121,493	5.92%	
2003	19,601,770	19,098,999	97.44%	568,185	19,667,184	100.33%	1,056,080	5.39%	
2004	20,323,500	19,169,804	94.32%	988,002	20,157,806	99.18%	1,221,774	6.01%	

(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 Nine Years

Tax Year	Real Property		Public Utility		Tangible Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$1,069,432,430	\$3,055,521,229	\$59,970,690	\$239,882,760	\$140,482,451	\$159,639,149	\$1,269,885,571	\$3,455,043,138	36.75%
1997	1,000,651,720	2,859,004,914	59,904,330	239,617,320	153,825,108	174,801,259	1,214,381,158	3,273,423,493	37.10%
1998	1,044,238,800	2,983,539,429	63,357,890	253,431,560	152,571,973	173,377,242	1,260,168,663	3,410,348,231	36.95%
1999	1,217,017,640	3,477,193,257	65,654,370	262,617,480	157,500,328	178,977,645	1,440,172,338	3,918,788,382	36.75%
2000	1,241,907,370	3,548,306,771	62,631,930	250,527,720	177,295,890	201,472,602	1,481,835,190	4,000,307,093	37.04%
2001	1,248,732,740	3,567,807,829	49,599,380	198,397,520	189,969,824	215,874,800	1,488,301,944	3,982,080,149	37.37%
2002	1,487,226,020	4,253,466,417	46,063,510	184,254,040	188,688,430	215,104,810	1,721,977,960	4,652,825,267	37.01%
2003	1,507,298,740	4,310,874,396	46,734,850	186,939,400	187,632,839	213,901,436	1,741,666,429	4,711,715,233	36.96%
2004	1,556,574,080	4,447,354,514	48,309,760	193,239,040	196,317,964	223,088,595	1,801,201,804	4,863,682,150	37.03%

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 Nine Years

Tax Year	Butler County	West Chester Township	Lakota		Princeton		Mason		Great Oaks JVS	Butler County JVS
			School District	School District	School District	School District	School District	School District		
1996	\$7.45	\$9.59	\$56.24	\$42.24	\$62.36	\$2.70	\$1.93		\$2.70	\$1.93
1997	8.45	9.59	56.14	42.24	61.95	2.70	1.93		2.70	1.93
1998	8.45	9.59	56.14	42.24	61.95	2.70	1.93		2.70	1.93
1999	8.45	9.59	55.14	42.24	61.95	2.70	1.93		2.70	1.93
2000	8.45	10.59	61.88	46.19	61.95	2.70	1.93		2.70	1.93
2001	8.75	13.09	61.88	46.19	71.11	2.70	1.93		2.70	1.93
2002	8.75	13.09	60.84	45.79	72.61	2.70	1.93		2.70	1.93
2003	8.74	13.09	60.04	49.03	74.11	2.70	1.93		2.70	1.93
2004	8.74	13.09	60.04	49.03	74.11	2.70	1.93		2.70	1.93

Note: Information prior to 1996 was unavailable.

Source: Butler County Auditor's Office

West Chester Township
Special Assessment Billings and Collections
Last Eight 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%
2003	152,005	137,341	90.35%
2004	271,160	247,869	91.41%

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

Year	(2) Population	(3) Assessed Value	(4) Gross General Obligation Bonded Debt	Debt Service Monies Available	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Per Capita Net General Bonded Debt
2001	54,895	\$1,488,301,944	\$11,535,000	\$65,882	\$11,469,118	0.77%	\$208.93
2002	54,895	1,721,977,960	26,135,000	890,415	25,244,585	1.47%	459.87
2003	54,895	1,741,666,429	37,435,000	3,610,768	33,824,232	1.94%	616.16
2004	54,895	1,801,201,804	36,080,000	2,083,319	33,996,681	1.89%	619.30

(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 Four Years (1)

Year	Debt Principal	Interest	Gross Debt Service Expenditures	General Fund Expenditures	Ratio of Debt Service Expenditures to General Fund Expenditures
2001	\$ 365,000	\$ 301,306	\$ 666,306	\$ 3,944,098	16.89%
2002	595,000	1,578,631	2,173,631	4,330,656	50.19%
2003	900,000	1,725,092	2,625,092	4,235,582	61.98%
2004	1,355,000	1,972,547	3,327,547	4,007,098	83.04%

(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, 2004

Jurisdiction	Net Debt Outstanding	Percentage Applicable To Township	Amount Applicable To Township
Direct Debt:			
West Chester Township	\$ 36,080,000	100.00%	\$ 36,080,000
Overlapping Debt:			
All Political Subdivisions (1)	159,729,581	7.77%	<u>12,410,988</u>
Total Direct and Overlapping Debt			<u><u>\$ 48,490,988</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>
1995	39,703	12,193	4.2
1996	39,703	12,700	3.6
1997	39,703	13,077	3.5
1998	39,703	13,530	3.3
1999	39,703	14,139	3.2
2000	54,895	14,629	3.0
2001	54,895	15,143	3.2
2002	54,895	15,498	4.4
2003	54,895	15,845	4.2
2004	54,895	16,938	3.8

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

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

Year	NEW CONSTRUCTION			Bank Deposits	Real Property Assessed Value
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction		
1996	\$63,289,544	\$53,703,367	\$116,992,911	\$783,398,000	\$1,069,432,430
1997	49,567,572	77,352,571	126,920,143	815,435,000	1,000,651,720
1998	38,700,562	70,938,169	109,638,731	864,105,000	1,044,238,800
1999	34,228,124	134,755,161	168,983,285	913,169,000	1,217,017,640
2000	20,326,653	96,747,346	117,073,999	1,152,810,000	1,241,907,370
2001	32,969,895	115,998,274	148,968,169	1,136,994,000	1,248,732,740
2002	41,215,680	34,281,570	75,497,250	1,257,078,000	1,487,226,000
2003	13,414,110	20,040,940	33,455,050	1,355,739,000	1,507,298,740
2004	20,004,120	15,207,170	35,211,290	1,466,791,000	1,556,574,080

Note: Information prior to 1996 was unavailable.

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

West Chester Township
Butler County, Ohio
2004 Principal Taxpayers

Company	Real Estate & Public Utility	Percent of Total Assessed Valuation
Dugan Financing LLC	34,340,890	28.27%
Cincinnati Gas & Electric Co	34,191,040	28.15%
Cincinnati Bell Telephone Co	9,748,720	8.03%
Security Capital	6,993,470	5.76%
Duke Realty Ohio	6,342,650	5.22%
Dugan Realty LLC	6,182,350	5.09%
Union Station of West Chester LLC	6,072,500	5.00%
Hills Real Estate Corp	5,998,990	4.94%
West Chester Lakes LLC	5,816,030	4.79%
Port Union LLC	5,769,100	4.75%
Total	121,455,740	100.00%

West Chester Township
Butler County, Ohio
Miscellaneous Statistics

Year Established	1,823
Area	35 square miles
Miles of Streets	270
Employees	
Number of authorized full-time employees	220
Number of authorized part-time employees	127
Police Protection	
Police Chief	1
Authorized Civilian Employees	10
Number of Stations	1
Number of Policemen and Officers	78
Number of Dispatchers	15
Number of Patrol Units	18
Fire And EMS Protection	
Fire Chief	1
Assistant Fire Chief	2
Administrative Civilian Employees	2
Number of Fire Fighters (full-time)	44
Number of Fire Fighters (part-time)	27
Number of Fire Fighters (paid on call)	24
Number of Life Squad Members(paid on call)	56
Number of Stations	5
Education (K-12)(Public Only)	
Number of Schools	19
Number of Employees	2,300
Number of Students	16,938
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
AUGUST 11, 2005**