

WEST CHESTER TOWNSHIP, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2005



**Auditor of State
Betty Montgomery**

Board of Trustees
West Chester Township
9113 Cincinnati Dayton Road
West Chester, Ohio 45069-3840

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

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

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

BETTY MONTGOMERY
Auditor of State

October 30, 2006

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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 West Chester Township as of and for the year ended December 31, 2005, which collectively comprise West Chester Township's basic financial statements and have issued our report thereon dated July 28, 2006. 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 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect West Chester Township's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2005-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether 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*.

We also noted certain additional matters that we reported to management of West Chester Township in a separate letter dated July 28, 2006

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
July 28, 2006

WEST CHESTER TOWNSHIP, OHIO

Schedule of Findings

REPORTABLE CONDITION

2005-1 Payroll

As part of our testing of internal control over payroll cash disbursements, we selected a sample of twenty-five (25) timesheets from throughout the year. Our test indicated that two (2) timesheets were not signed by the department head. Signature of the department head provides the necessary control and approval of employees hours worked. We recommend that department heads review and approve employee timesheets prior to the processing of payroll.

We also noted during our internal control test that one employee was paid a rate that did not agree to an approved salary schedule for three pay periods. The Board of Trustees is responsible for setting and approving the salary schedules and each employee should be properly placed within that schedule. We recommend the review of each payroll include a review of employee pay rates.

***Management Response:** Management concurs with the recommendations and will take steps to ensure that all timesheets are signed by department heads prior to the processing of payroll and all employees are paid approved amounts.*

**WEST CHESTER TOWNSHIP
BUTLER COUNTY, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

WEST CHESTER TOWNSHIP
BUTLER COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

Issued by:
Finance Department

West Chester Township
Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

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INTRODUCTORY SECTION



August 31, 2006

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 fifth Comprehensive Annual Financial Report (CAFR) for West Chester Township. This report, for the fiscal year ending December 31, 2005, 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 Fiscal Officer.

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 2004 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 Fiscal Officer 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.

Component units are organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township approves their budget, the issuance of their debt or the levying of their taxes.

The West Chester Development Council (WCDC) is a legally separated, non-profit organization. The Board is comprised of three Township Trustees and the Trustees appoint one of the remaining four seats. The WCDC was established to serve as an agent for economic development for the Township. Because the Township appoints a voting majority of the WCDC Board and is able to impose its will on the WCDC, the WCDC is considered a blended component unit of the Township. This activity is presented as a special revenue fund of the Township.

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. The Amphitheater at Keehner Park is home to the West Chester Concert Series and Family Movie Nights and The Great Pumpkinfest. Shelters in the park are available for family picnics and gatherings.

Voice of America Park

In 1999, the Township acquired 330 acres of the former Voice of America Bethany Station, as part of the federal government's disposal of the 600-acre site. The facility was decommissioned and given to the Township for recreational and historic monument purposes. While the park and museum are in the development stages, there is still plenty to do at this facility.

Thousands of children and adults use the park all year long for soccer, baseball, cricket and cross country, as well as kite-flying and radio-control soaring. In addition, the VOA Park is host to Dog Fest, the West Chester Wine and Food Festival, Airwaves Kite Fest and the Optimist Run for Youth. In fall 2006, the park will be host to the NCAA National Collegiate Cross Country Championships.

The Iams Wiggly Field dog park and the Daisaku Ikeda Tree Grove were features donated to the community and are enjoyed by many as part of VOA 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. Thousands of people come to the VOA Museum each year as part of guided tours to see the changes being made.

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 meeting facility. The West Chester Baseball Complex at Beckett Park was dedicated in 2005. The Complex was constructed and will be maintained through an ongoing partnership between West Chester Township and local baseball organizations representing our community's youth. Four high-quality fields, restroom, press box and concession facilities will all be open for play in spring 2006. The Muhlhauser Barn will be reconstructed at the park as part of phase II of park construction. The rustic barn will be available for rent and will be used for small township gatherings. Construction of the barn, lake, roadway and parking lots is expected to be completed before the end of 2006.

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. The Corridor continues to grow allowing for increased opportunities for preservation of habitat and floodplain and for future recreational bike trails.

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 moved forward with the restoration of its yellow pine floors and the addition of a handicap ramp.

West Chester Town Square

An approximately 3-acre urban park will be developed in 2006 as part of the continued success of West Chester's Union Centre business district. The park, featuring a combination of green space, patios, a pond and plenty of benches and tables, will provide gathering spaces for the community as they shop and handle business in the area. Located across from Lakota West High School, the park will be designed to be a comfortable place to gather with friends and enjoy a quiet outdoor lunch or a simple concert.

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. The University of Phoenix opened its Cincinnati campus in the Centre Pointe Office Park at Union Centre. Indiana Wesleyan University built a 30,000 square foot facility also at Union Centre. Miami University is planning a regional learning center in the Voice of America district on Tylerville. Also, just outside West Chester's southern limits Mt Vernon Nazarene College opened its Cincinnati campus.

Miami University 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

Economic Center Of The Cincinnati-Dayton Metroplex

As Cincinnati and Dayton continue to converge, West Chester is emerging as the economic center of the Cincinnati-Dayton Metroplex, the regional commerce corridor connecting the two major metropolitan areas. This super-region, with two international airports, ranks 15th in the nation, with a population of 2.8 million.

West Chester today is Greater Cincinnati's 5th largest community and is projected to become the 2nd largest community in the Cincinnati MSA behind the City of Cincinnati. West Chester was ranked as the fastest growing community in the region (1990-2000) by population growth. Population has more than doubled each of the past two decades and is projected to reach 80,000 at buildout. Population as of year-end 2005 was 59,052. Among other Ohio townships, West Chester has one of the highest growth rates and is the third largest township, accounting for nearly 20% of the total population of Butler County.

West Chester is becoming an employment epicenter in the region with nearly 2,500 thriving business and 40,000 employees. There is a labor force of more than one million within a 45-minute commute. Driving this employment growth are factors such as three of the five largest regional industrial parks are located in West Chester, as are a regional medical campus, two universities, and the continued growth of the 7th largest public school system in Ohio, the nationally acclaimed Lakota Schools.

Butler County ranks 24th in the nation for employment growth, outranked only by explosive growth markets in sunbelt states, and West Chester consistently has been a job growth leader in the county. In 2005, for the second year in a row, Butler County outpaced all other counties in the 15-county metro area in job growth with 4,680 new/retained jobs; West Chester accounted for 3,168 or 68%, of that total. In 2004, Butler County outpaced all other counties with 8,498 new/retained jobs; West Chester accounted for 1,895, or 22% of that total.

Record Business Growth

A long favored residential community, in the past decade West Chester has become a regional powerhouse for business development. The Township ranks among the Tri-state's top tier office and industrial locations for its unmatched access to major interstate corridors, numerous commerce parks, large inventory of land and buildings and dense labor pool – all in an attractive suburban setting. Community leaders have planned for and achieved development of an expansive corporate base to complement and balance residential growth.

A primary factor driving West Chester's record business growth is its prime location with immediate access to five full interstate interchanges – unmatched by any other of the region's suburban communities (three within West Chester at I-75 and two at the regional beltway, I-275, at the community's perimeter). West Chester is the southern gateway to Butler County, which links Hamilton County (Cincinnati) to the south with Montgomery County (Dayton) to the north.

This advantageous regional location positioned West Chester Township to begin experiencing strong business growth in the 1970's as development moved northward from Cincinnati and Hamilton County along I-75. Today, the interior of the Cincinnati regional beltway is almost fully developed, which is driving new growth north to West Chester, the first community outside the beltway.

In 1997 the first new interchange constructed in Southwest Ohio in two decades opened in West Chester. The Union Centre/I-75 Interchange (the "Interchange"), located two miles north of Cincinnati's regional beltway I-275, has significantly increased the business sector in the Township. The Interchange opening provided immediate interstate access to approximately 3,000 acres of undeveloped land, making the Township a highly sought-after location for business growth in the Greater Cincinnati area.

New Office Market in Demand

Historically, the manufacturing and distribution sectors represented the highest concentration of business, but upon completion of the Union Centre Boulevard Interchange, the economy has and continues to diversify to include corporate offices and technology sector companies.

Less than a decade following the opening of the new Interchange, major national and international companies have opened offices and technology centers in West Chester, including Proctor & Gamble Manufacturing Supply Technology, Proctor & Gamble Beckett Ridge Technical Center, United Healthcare, General Electric, Contech Construction, Cintas Corporation, and Rite Track. Combined, these companies employ more than 2,210 office and technology professionals.

The land adjacent to the Union Centre Interchange is being developed in accordance with the community vision for this area and in response to market demand for raw land with interstate visibility and immediate access. Rezoned to a Central Business District (CBD), approximately 250 acres on each side of the interchange are subject to the completion of a master development plan which targets corporate office, light industry and tech, government and community services, and commercial businesses.

One of the key components of the Central Business District is the development of the Class-A office market, featuring a range of office products from mid-rise towers and single-story office condo projects. Following the opening of the new Interchange, in 2000 a nationally prominent developer, Higgins Land Development, headquartered in Chicago, began constructing the Township's first Class A office park. Duke Realty, a national Indianapolis-based REIT, acquired the complex in 2004 and continues to expand the park. There currently are four 120,000 sq. ft. office buildings and plans specify two additional larger buildings totaling 200,000 – 300,000 sq. ft. The first three buildings were built in 2000, and 2002 respectively and the fourth, valued at \$16 million, was completed in 2005. Completion of the fourth office building positions the park as the 9th largest suburban complex in the region.

Construction of mid-size professional and medical offices was very active in 2005 west of the Union Centre corporate office district. Ohio Bancorp continued developing its 100,000 square-foot, 14-acre development on Princeton-Glendale/747 just north of Union Centre Boulevard with Building II, a 20,800 sq. ft. professional and medical office facility, and Building III, a 20,000 square-foot, two-story professional and medical office building.

Major new corporate office and technology businesses that established or expanded operations in West Chester in 2005 include: Contech Construction Products, a privately owned civil engineering company, relocated its corporate headquarters to a 72,000 square-foot office occupying the top two floors of Centre Point Office Park Building Four. Contech employs more than 1,800 nationally and has 40 manufacturing facilities. E-Technologies Group, engineering and information technology services, leased a 5,436 square-foot office facility on Union Centre Boulevard in a new 30,000 square-foot retail/office building constructed by Huff Realty. Inter-Tel Technologies Cincinnati, data and telecommunication consultants, leased a 9,510 square-foot facility in Duke's World Park at Union Centre. Kemba Credit Union began construction of a four-story, 32,000 square-foot office building in the Chappell Crossing development on Union Centre Boulevard. The building will house Kemba's 7th full-service branch and corporate office space for lease.

Record Manufacturing, Distribution Growth

West Chester secured in 2005 not one but two "once in a lifetime" projects for its manufacturing and distribution sector. Amylin Pharmaceuticals, a California based biopharmaceutical company engaged in discovery, development and commercialization of innovative medicines for diabetes, obesity and cardiovascular disease, announced it will invest \$70 million to open a new biomedical manufacturing plant. The 151,200 sq. ft. facility will house Amylin's manufacturing and packaging operations for national and international distribution and will employ 200 at full production.

Dell, the world's leading computer systems company, announced it would assume complete responsibility for its West Chester operations, taking over from partner APL Logistics, Company officials cited as reason for the change the greater than anticipated success of the fulfillment and logistics center. Dell opened the nearly 500,000 sq. ft. facility late 2004, estimating employment at 600 within three years; within only a year employment reached 1,000 jobs.

The top five manufacturing employers combined have over 2,500 employees. These are: Pierre Frozen Foods, a producer of ready-to-eat food items; Armour Holdings, manufacturer of armor for bulletproofing vehicles, FKI Logistex (formerly the Buschman Company), which manufactures conveyor systems; CTL Aerospace, Inc. a producer of fiberglass and plastic parts; and OPW Fueling Components, a division of the Dover Corporation, a manufacturer of nozzles, valves and fittings.

Construction of three new distribution buildings began in 2005 and will add more than 1.6 million new sq. ft. of distribution/fulfillment space in West Chester. SanMar, a Seattle based company specializing in overnight delivery of apparel to screen and apparel imprinters such as Nike and Hanes, announced it will invest \$25 million to relocate its existing Cincinnati distribution center to a new 770,000 sq. ft. facility developed by ProLogis. Industrial Development International announced Port Union at Union Centre/Building E, a 136,000 sq. ft. building that will be the fourth distribution facility in the 192 acre park, and Port Union at Union Centre/Building F., a new 697,500 sq. ft. building that will be the fifth building and is already 50% pre-leased. Upon completion, Port Union at Union Centre will be the 12th largest industrial park in the Tri-State.

In 2005 two new buildings constructed by national REIT Duke Realty added nearly 700,000 sq. ft. of industrial/flex space in West Chester: World Park at Union Centre Building 7, 275,000 industrial/warehouse flex, and World Park at Union Centre Building 10, 414,460 sq. ft. speculative industrial.

Existing major distribution facilities located in West Chester Township include Dell, Cornerstone Consolidated Services Group, totes Isotoner, Liz Claiborne, Alliant/US Foodservice, SanMar, Tropicana Products, Crescent Park Distribution Center, and Office Depot/Corporate Express. These companies represent more than 4.2 million sq. ft. of space and 3,800 employees.

Additional major new manufacturing and distribution projects in 2005 (new construction, purchase or lease) include: Cintas, designer and manufacturer of corporate identity uniform programs, 43,490 sq. ft. expansion to its existing facility; Flavor Systems International, specializing in custom creation of food and beverage flavorings, 26,810 sq. ft. expansion to its existing facility; Grainger, the leading broad line supplier of facilities maintenance products, 63,337 sq. ft. sales/service/distribution/warehouse facility; Harmon, Inc. design, engineering, fabrication, installation and renovation of exterior cladding systems, 78,000 sq. ft. fabrication facility and separate 16,610 sq. ft. sales and operations facility; KAO Brands Company (formerly The Andrew Jergens Company), manufacturer of health and beauty products, 351,000 sq ft distribution facility; Kin Products, designers and manufacturers of custom and stock displays and fixtures for retailers, 110,207 sq. ft. facility, Pole Zero Corporation, designs and manufactures a complete line of tunable filter products for RF filter requirements, 44,100 sq. ft. expansion to its existing West Chester facility; Rite Track Equipment Services, suppliers of track systems for the semiconductor thin film head, solar cell and MEMS industry, 28,000 sq. ft. expansion to its existing West Chester facility; Rolled Alloys, international heat and corrosion resistant and aerospace alloy specialists, expansion of its existing warehouse and processing center to 36,000 sq. ft.; Scholastic Book Fairs, a global children's publishing and media company, relocation 10 123,319 sq. ft.; Shepherd Color Company, a fourth generation, family-owned international business producer of inorganic color pigments, 44,385 sq. ft. expansion to existing facility; SPS Packaging, packaging and fulfillment services, 206,448 sq. ft. facility; Watson's specializing in swimming pools, spas, pool tables, 80,000 sq. ft. facility; and World Wide Technology, Inc., systems integrator providing technology and supply chain solutions (provider of logistics solutions to Dell), relocation to 42,065 sq. ft. facility.

Emerging Regional Center for Healthcare

As West Chester's office and industrial markets continue to expand, significant development is occurring in the healthcare and higher education sectors.

In 2001, construction began on a regional medical campus in West Chester with a first phase investment of \$100 million. UC Physicians, a group of more than 600 doctors and clinical faculty affiliated with the University of Cincinnati, is expanding its medical services to northern Cincinnati and southern Dayton by establishing a 75-acre campus, University Pointe, off I-75 and Tylersville Road. The medical campus is being developed to serve the Cincinnati-Dayton Metroplex markets with a regional hospital, short-stay surgical hospital and cardiology center, and mid-rise medical offices and condos housing a full-spectrum of specialty practices. The campus was the first of its kind in the nation for its joint venture between a private physicians group and developer for a project of such magnitude.

In 2005 a regional health alliance announced plans to build a \$200 million 160 bed hospital at University Pointe. Health Alliance, a conglomeration of Tri-State hospitals and physicians, announced the 370,000 sq. ft. hospital will be built on 29 acres at University Pointe. The 160-bed hospital will offer surgical, outpatient and imaging services, and contain a full-service emergency department staffed 24 hours a day. Employees are estimated at 700. Construction will begin on the hospital in May 2006 with a projected opening Summer 2008. The high-tech, paperless health care facility will be expanded to a 300-bed hospital in the future.

Also new in 2005 at University Pointe: Affiliates in Oral and Maxillofacial Surgery, medical and surgical office facility; Mid-City Pediatrics, medical services from birth to age 21; Orthopaedic Sports Medicine, and medical office.

UC Physicians announced it will begin construction on three new 22,161-square-foot medical office buildings this year at the University Pointe Medical Campus on Cox Road. The UC Internal Medicine Sleep Clinic has announced it will occupy 7,000-square-feet of one of these buildings. Miller Valentine Group is the developer for these projects.

Project highlights since development of the campus began in 2001 include Cincinnati Children's Hospital Medical Center opened an outpatient services facility (2003) providing services for teens and children in a variety of specialty areas including genetics, neurosurgery, audiology and a special center for infants and children with special needs; Dialysis Clinic, Inc., opened a nonprofit outpatient dialysis center; Drake Center Therapies, a \$39 million dollar nonprofit rehabilitation hospital, opened a satellite center for physical, occupational and speech therapies; University Pointe Precision Radiotherapy, a medical facility focusing on the treatment of brain and solid organ tumors opened a medical facility housing a Linear Accelerator used in the treatment of cancer.

These constructed and announced projects have necessitated the widening of Cox Road, a north-south connector to the medical campus and adjacent retail and light industry, from two to five lanes, south to Tylersville Road. Future plans call for the county to extend Cox Road north to Princeton Road, improve the Butler County Regional Highway/I-75 interchange to a full interchange and extend the Butler County Regional Highway one exit east to Cox Road.

As regional healthcare alliances continue to develop major projects in West Chester Township, ancillary medical and technological development is burgeoning. Key projects announced or constructed in 2005 include: Assurant Health, providing health insurance products, Centre Pointe Office Park; Carington Health Systems, specializing in care for the elderly, Union Commerce Center (Carington's second West Chester facility); Community Blood Center, regional not-for-profit blood bank serving hospitals within its 15-county service area, Union Centre; DIT Health Care Distribution, specializing in pharmaceutical distribution, Southwest Business District; Lasik Vision Institute, offering laser correction services, Voice of America Centre; Ohio Valley Orthopedics Union Centre/747 District; Wellington Orthopaedic and Sports Medicine, Union Centre District.

New medical, health services and related projects announced or constructed in 2004 include: (2004) Acuity Medical Acupuncture, licensed medical acupuncture practice; Accutek Testing Laboratory; Atricure, a developer of medical devices; Beckett Psychology, medical office; Benco Dental, a dental supply, equipment and consulting company; Butler County Board of MR/DD West Chester Community Services center; Enable Medical Corporation/Atricure, manufacturer of medical bipolar scissors; Home Care Pharmacy, nursing home pharmaceutical supplies; Source One Health Technologies, distributor of medical imaging equipment; Wellington Orthopaedic & Sports Medicine, specialized care for bones, muscles and joints; Wetherington Family Medicine, primary family medical practice.

Fast-Paced Commercial Development

More than 200 acres of new dining, shopping and entertainment venues are under development in West Chester and more than a hundred more are being actively planned. Major new commercial projects are underway at each of the three interchanges on I-75, providing access within minutes to popular regional and local venues. More than 80 new restaurants opened in West Chester in the past five years (2000-2004) and more continue to open as commercial districts develop. There are more than 10 hotels, many offering executive-oriented services, with more than 16,000 sq. ft. of conference space. More than 600 hotel rooms at the Union Centre interchange alone cater to corporate and social events and tourism, and West Chester leads the county with the highest number of hotel rooms totaling at 1,000.

The first exit north of the beltway is Union Centre Boulevard, under development to become the community's new Downtown District; the interchange is identified within the region by its high-rise landmarks Marriott North Cincinnati, Centre Pointe Office Park and Rave Theater Complex. On the east side of Union Centre Boulevard, Continental Real Estate has completed phase one of a \$100 million lifestyle center called the Streets of West Chester. Major anchors include an 80,000 sq. ft., eighteen (18) screen Rave Theater, numerous full-service restaurants and boutique shops, and an anchor bookstore, Barnes & Noble Booksellers. Construction is in process for an upscale urban-style residential component at the Streets of West Chester; the pedestrian-oriented neighborhood of owner-occupied townhomes priced \$195,000 - \$350,000 will feature urban brownstone buildings around a village square.

Cincinnati-based investment group Scott Street Partners purchased 27.8 acres at the southern end of the Streets of West Chester for future development. The site, with full interstate visibility and multiple access points to I-75 and perimeter roads, is anticipated to be a highly sought-after regional location for office and commercial development.

On Union Centre Boulevard to the west, a 25-acre outdoor new urban downtown is under development by Schumacher Dugan Construction. The pedestrian-oriented West Chester Town Centre will feature popular regional specialty boutiques, restaurants, offices and an urban park designed for community celebrations. In 2005, Phyllis at the Madison, a premier upscale full-service salon and spa, announced it will open a salon in West Chester Town Centre. Also, several casual bistros catering to area office professionals opened in 2005 in Phase 1 of the Town Centre.

Among the many restaurants recently opened or planned in the Union Centre district, the upscale Jag's Steak and Seafood attracts clientele from throughout the region with its signature menu.

A second luxury car boutique opened in 2005 across from Volvo of Cincinnati (2004) - Mercedes Benz selected West Chester for its second location in the region. Brandi Corp., a Northern Kentucky developer, announced in 2005 it will build a 5,000-square-foot retail center at 747/Union Centre. The retail establishment will have Princeton-Glendale Road frontage.

Aggressive expansion by financial institutions into the West Chester market continued in 2005 with the addition of Park National Bank at 747/Union Centre; National City Bank at Cincinnati Dayton; and KEMBA Credit Union at Union Centre.

To the north of the Union Centre Interchange at West Chester's Midtown – the Cincinnati-Dayton Interchange – new commercial projects opened in 2005 following the completion of a major roadway improvement at the Interchange. Wal-Mart SuperCenter opened its 203,982-sq.ft. facility in Neyer Properties "Highlands" development, a 75-acre mixed-use retail/office project. Also new in the Midtown district in 2005, National City Bank, branch office; Mike's Express Car Wash; and plans for West Chester Station, a new 13,000-square-foot office/retail development, were announced.

At the third and northernmost interchange on I-75, just south of the Butler County Regional Highway, is an expansive commercial corridor along Tylersville Road known as Uptown. Alongside established retail, new large-scale shopping and dining centers have recently opened and more are under construction. Voice of America Shopping Center is a \$100 million outdoor shopping and dining district anchored by favorite national and discount retailers.

MAJOR INITIATIVES

The West Chester Baseball Complex was opened in July 2005 for a Little League World Series Tournament, but will be open for regular youth play in Spring 2006. The Complex will be home to The West Chester Baseball Association and features four high-quality fields, a concession stand, press box, dugouts, and more. Development of the baseball complex was made possible through a partnership with WABA, West Chester Township, and private donors. The baseball complex is owned by West Chester Township as part of the community parks system, but will be scheduled and partially maintained by WABA.

In November 2004 demolition at the 9113 Cincinnati-Dayton Road facility began. The interior of the building was completely stripped of all outdated mechanical, electrical and plumbing fixtures. New windows and roof were also included in the renovation, which was completed in July 2005 and now houses the Township Hall, Administration and various other Township service offices.

Multiple road improvements projects commenced/continued in 2005, including the completion of the upgrade of SR 747 from south of Smith to Tylersville Road, completion of the Butler Warren Road at US 42 intersection improvement including installing a traffic signal, and the upgrade of Cincinnati-Dayton Road at I-75 and new streets in conjunction with the development of a new shopping center complex.

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.

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 2004, 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 2004 CAFR and anticipates receiving the commendation again for 2005.

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 Fiscal Officer, 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,

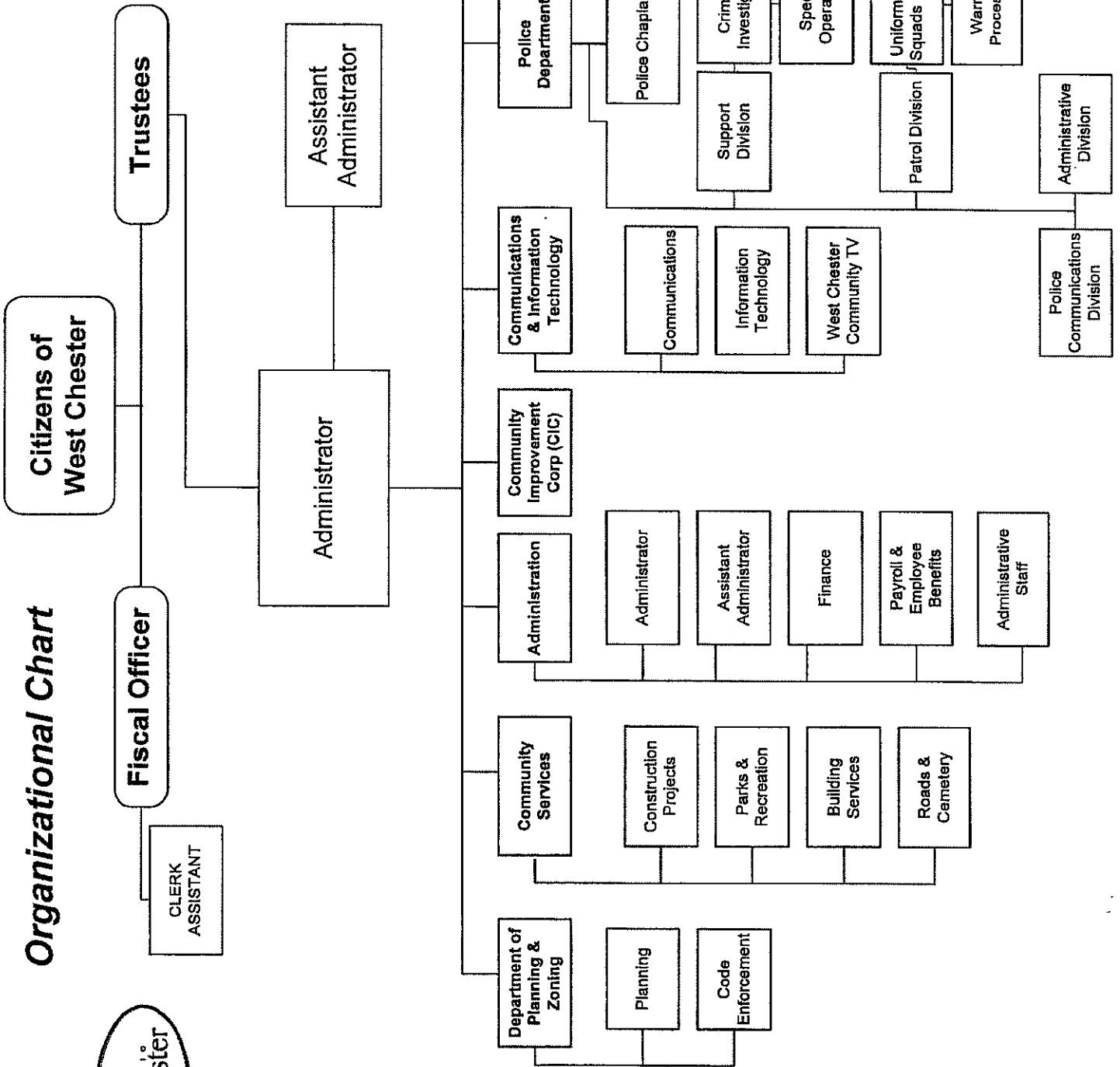


Judith C. Boyko
Township Administrator



Kacey L. Waggaman
Finance Director

Organizational Chart



West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2005



George Lang
Township Trustee



Catherine Stoker
Township Trustee



José Alvarez
Township Trustee



Patricia Williams
Fiscal Officer



Judith Boyko
Township Administrator

West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2005
(continued)

Elected Officials

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

Appointed Officials

| | |
|--|-----------------|
| Administrator | Judith Boyko |
| 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 Taylor |
| 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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

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 (the Township) as of and for the year ended December 31, 2005, 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, 2005, and the respective changes in financial position, where applicable, 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 July 28, 2006, on our consideration of the City's internal control over financial reporting and on 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 considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3-9 and 39-44, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 schedules, 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 and schedules 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 section 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, Hackett & Co.

Cincinnati, Ohio
July 28, 2006

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2005

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, 2005.

FINANCIAL HIGHLIGHTS

- The Township's total net assets increased \$12.8 million.
- Capital assets increased by \$3.7 million.
- General revenues accounted for \$37.9 million in revenue or 91.0 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$3.7 million or 9.0 percent of \$41.6 million in total revenues.
- At the end of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$26.5 million. Of this amount \$24.7 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 \$3.4 million or 74.0 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 2005?" 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, 2005

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 Fiscal Officer, 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 (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, 2005

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 2005 compared to 2004.

TABLE 1 - NET ASSETS
(in Millions)

| | Governmental Activities | |
|-------------------------------|-------------------------|--------|
| | 2005 | 2004 |
| Assets | | |
| Current and Other Assets | 69.0 | \$60.1 |
| Capital Assets, Net | 75.3 | 71.6 |
| Total Assets | 144.3 | 131.7 |
| Liabilities | | |
| Current and Other Liabilities | 25.0 | 23.6 |
| Long-Term Liabilities | | |
| Due within One Year | 2.1 | 2.1 |
| Due in More Than One Year | 37.8 | 39.4 |
| Total Liabilities | 64.9 | 65.1 |
| Net Assets | | |
| Invested in Capital Assets, | | |
| Net of Debt | 39.6 | 37.8 |
| Restricted for: | | |
| Debt Service | 2.7 | 2.1 |
| Capital Improvements | 2.5 | 3.1 |
| Other Purposes | 16.1 | 10.1 |
| Unrestricted | 18.5 | 13.5 |
| Total Net Assets | 79.4 | \$66.6 |

Total net assets increased \$12.8 million and the Township had a net capital asset increase over \$3.7 million for 2005 due to the completion of the Port Union Canal bike trail, Clean Ohio Conservation Corridor Round I, the 9113 Building Renovations and the Beckett Park Baseball Complex projects.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2005

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 2005, total expenses were \$17.8 million representing 61.7% of governmental activity spending yielding a reliance on general revenues to fund the program of \$16.4 million after direct support to their programs.

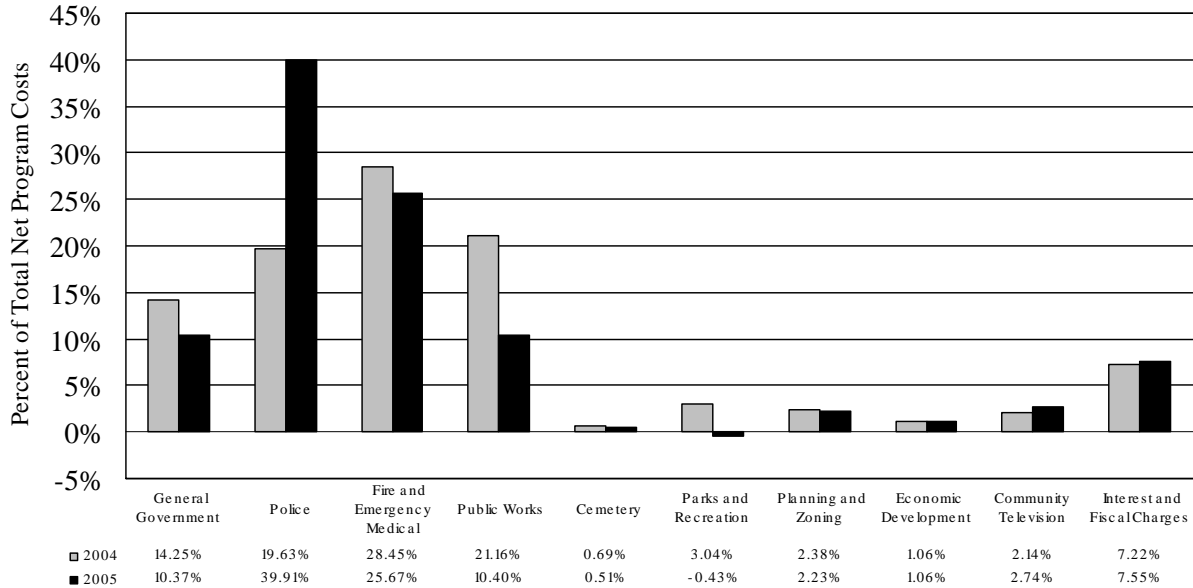
The changes in net assets for 2004 and 2005 are outlined below,

TABLE 2 – CHANGE IN NET ASSETS
(in Millions)

| | Governmental Activities | |
|-------------------------------------|-------------------------|-------------------|
| | 2005 | 2004 |
| | <u> </u> | <u> </u> |
| Revenues | | |
| <i>Program Revenues:</i> | | |
| Charges for Services | \$1.0 | \$1.2 |
| Operating Grants and Contributions | 1.9 | 0.8 |
| Capital Grants and Contributions | <u>.8</u> | <u>0.0</u> |
| Total Program Revenues | <u>3.7</u> | <u>2.0</u> |
| <i>General Revenues</i> | | |
| Property and Other Taxes | 30.6 | 24.0 |
| Grants and Entitlements | 5.2 | 1.8 |
| Unrestricted Investment Earnings | 1.0 | .3 |
| Miscellaneous | <u>1.1</u> | <u>0.8</u> |
| Total General Revenues | <u>37.9</u> | <u>26.9</u> |
| Total Revenues | <u>41.6</u> | <u>28.9</u> |
| | | |
| Program Expenses: | | |
| General Government | 2.6 | 3.9 |
| Public Safety | | |
| Police | 10.3 | 5.4 |
| Fire and Emergency Medical Services | 7.5 | 8.9 |
| Public Works | 4.1 | 6.0 |
| Cemetery | 0.2 | .3 |
| Parks and Recreation | 0.6 | 0.9 |
| Planning and Zoning | 0.6 | 0.6 |
| Economic Development | 0.3 | 0.3 |
| Community Television | 0.7 | 0.6 |
| Interest and Fiscal Charges | <u>1.9</u> | <u>1.9</u> |
| Total Expenses | <u>28.8</u> | <u>28.8</u> |
| Increase in Net Assets | 12.8 | .1 |
| Net Assets Beginning of Year | <u>66.6</u> | <u>66.5</u> |
| Net Assets End of Year | <u>\$79.4</u> | <u>\$66.6</u> |

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2005

Net program cost for 2005 and 2004 by percentage of total net program expenses, as presented on the statement of activities, were as follows:



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

When looking at the sources of income to support operations, it should be noted that charges for services are only 2.5% of revenue, while 73.6% 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 \$34.2 million and expenditures of \$33.7 million.

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

The Police fund balance increased \$0.8 million due to levy revenues exceeding expenditures.

The Fire and Emergency Medical Services fund balance decreased \$0.5 million. This decrease is due to the department operating in the end of their current levy cycle. A new 6.0 mill levy was approved by the voters on May 2, 2006.

The State Route 747 TIF fund balance increased by \$1.3 million due to the property exemption approval from the State Department of Taxation on several parcels located in the district. Upon approval from the State Department of Taxation, the Township will receive payments in lieu of taxes on said parcels.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2005

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, Fire and Emergency Medical Services and State Route 747 TIF funds. Other governmental funds with adopted budgets are presented with the combining statements and individual fund schedules.

During 2005, there were no revisions to the General fund budget. Actual revenues were 38.0 percent over the final budget and actual expenditures plus encumbrances were 19.2 percent under final budget amounts. The main variances were intergovernmental revenue and general government expenditures. Estate tax revenue was much larger than anticipated and the Township anticipated more costs for the relocation of the administration offices than was actually incurred.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 – NET CAPITAL ASSETS
(In Millions)

| | 2005 | 2004 |
|----------------------------|------|--------|
| Land | 16.8 | \$16.4 |
| Land Improvements | 3.1 | 0.6 |
| Buildings and Improvements | 11.9 | 9.7 |
| Infrastructure | 29.1 | 30.7 |
| Machinery and Equipment | 4.0 | 3.4 |
| Construction in Progress | 10.4 | 10.8 |
| Totals | 75.3 | \$71.6 |

Capital assets increased \$3.7 million during 2005. Increases in land and land improvements are partly a result of the State funded Clean Ohio Grant. The Township acquired land through donations and purchases funded by grant dollars and completed the construction of a bike path on a portion of the acquired property. In addition, the baseball complex at Beckett Park and the renovation of the administrative building were both completed during 2005 and are also attributable to the overall increase in capital assets. Additional information regarding capital assets can be found in Note 6 to the Basic Financial Statements.

Debt

At December 31, 2005, West Chester Township had \$34.7 million in unvoted general obligation bonds and \$3.5 million in TIF revenue bonds. The Township paid \$1.4 million in principal on general obligation bonds during 2005 and \$0.2 million on the TIF revenue bonds.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2005

The Township's overall legal debt margin was \$155,297,884 at December 31, 2005. Long-term debt and short-term debt obligations are discussed in Note 8 and 9 of the Notes to the Basic Financial Statements.

FINANCIAL POSITION

In the past two decades, West Chester Township has experienced a tremendous amount of population and business growth. Although this growth has benefited the Township's financial position, the Township continues to seek ways to improve the quality and quantity of the services we provide to the citizens of West Chester. Considering the stable condition of the General Fund, the passage of tax levies in 2001 and 2006 for the Police and Fire and Emergency Medical Services funds, respectively and the continued growth of revenue from the Tax Incremental Financing Districts the Township's overall financial position has improved during 2005.

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, 9113 Cincinnati-Dayton Road, West Chester, Ohio 45069.

West Chester Township
Butler County, Ohio
Statement of Net Assets
December 31, 2005

| | Governmental Activities |
|--|----------------------------|
| Assets: | |
| <i>Current:</i> | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 31,902,631 |
| Receivables (net of allowance for doubtful accounts): | |
| Taxes-Real & Personal Property | 20,912,298 |
| Payments in Lieu of Taxes | 9,237,918 |
| Accounts | 390,837 |
| Interest | 89,852 |
| Intergovernmental | 3,950,584 |
| Special Assessments | 1,400,379 |
| Prepaid Items | 405,002 |
| <i>Noncurrent:</i> | |
| Bond Issuance Costs | 773,545 |
| Land and Construction in Progress | 27,266,362 |
| Depreciable Capital Assets | 48,056,524 |
| | 144,385,932 |
| Total Assets | |
| Liabilities: | |
| <i>Current:</i> | |
| Accounts Payable | 403,283 |
| Contracts Payable | 168,594 |
| Accrued Wages and Benefits | 538,244 |
| Intergovernmental Payable | 1,142,506 |
| Accrued Interest Payable | 145,443 |
| Notes Payable | 4,525,000 |
| Unearned Revenue | 18,100,674 |
| <i>Noncurrent:</i> | |
| Long Term Liabilities due within 1 year | 2,068,041 |
| Long Term Liabilities due over 1 year | 37,844,954 |
| | 64,936,739 |
| Total Liabilities | |
| Net Assets: | |
| Investment in Capital Assets, net debt | 39,569,561 |
| Restricted: | |
| Other Purposes | 2,574,468 |
| Police | 7,952,425 |
| Tax Increment Financing Projects | 5,613,838 |
| Debt Service | 2,669,243 |
| Capital Improvements | 2,570,036 |
| Unrestricted | 18,499,622 |
| | 79,449,193 |
| Total Net Assets | \$ 79,449,193 |

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2005

| Function/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and |
|-------------------------------------|------------------------|----------------------|------------------------------------|----------------------------------|---------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Changes in Net Assets |
| | | | | | Governmental Activities |
| Governmental Activities: | | | | | |
| General Government | \$ (2,642,717) | \$ 20,930 | \$ 21,455 | \$ - | \$ (2,600,332) |
| Public Safety | | | | | |
| Police | (10,268,368) | 73,811 | 184,148 | - | (10,010,409) |
| Fire and Emergency Medical Services | (7,502,331) | 904,138 | 158,851 | - | (6,439,342) |
| Public Works | (4,083,716) | - | 1,476,264 | - | (2,607,452) |
| Cemetery | (210,308) | 35,530 | 46,612 | - | (128,166) |
| Parks and Recreation | (650,340) | - | 5,728 | 751,921 | 107,309 |
| Planning and Zoning | (558,974) | - | - | - | (558,974) |
| Economic Development | (290,192) | - | 25,500 | - | (264,692) |
| Community Television | (688,602) | 1,518 | - | - | (687,084) |
| Interest and Fiscal Charges | (1,894,510) | - | - | - | (1,894,510) |
| Totals | <u>\$ (28,790,058)</u> | <u>\$ 1,035,927</u> | <u>\$ 1,918,558</u> | <u>\$ 751,921</u> | <u>(25,083,652)</u> |

General Revenues:

| | |
|--|----------------------|
| Property Taxes Levied for: | |
| General Purposes | 1,956,756 |
| Public Works | 1,391,946 |
| Public Safety - Police | 11,168,067 |
| Public Safety - Fire | 6,710,470 |
| Payments in Lieu of Taxes | 8,935,510 |
| Permissive Taxes | 464,136 |
| Grants and Contributions not restricted to specific programs | 5,158,280 |
| Unrestricted investment earnings | 1,041,170 |
| Miscellaneous | 1,092,133 |
| Total General Revenues | <u>37,918,468</u> |
| Change in Net Assets | 12,834,816 |
| Net Assets-Beginning of Year | <u>66,614,377</u> |
| Net Assets-End of Year | <u>\$ 79,449,193</u> |

See accompanying notes to the basic financial statements

West Chester Township, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

| | General | Police | Fire & EMS | State Route 747 TIF | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|----------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 3,712,874 | \$ 8,040,090 | \$ 2,248,769 | \$ 1,867,112 | \$ 16,033,786 | \$ 31,902,631 |
| Receivables: | | | | | | |
| Taxes | 1,466,477 | 11,219,422 | 6,770,597 | - | 1,455,802 | 20,912,298 |
| Accounts | 30,215 | 2,408 | 239,662 | - | 118,552 | 390,837 |
| Due From Other Governments | 1,814,040 | 1,113,590 | 662,909 | - | 360,045 | 3,950,584 |
| Interest | 89,852 | - | - | - | - | 89,852 |
| Special Assessments | - | - | - | - | 1,400,379 | 1,400,379 |
| Prepaid Items | 87,241 | 157,919 | 90,357 | - | 69,485 | 405,002 |
| Advances to Other Funds | - | - | - | 1,439,669 | - | 1,439,669 |
| Payment in Lieu of Taxes Receivable | - | - | - | 3,444,838 | 5,793,080 | 9,237,918 |
| Total Assets | \$ 7,200,699 | \$ 20,533,429 | \$ 10,012,294 | \$ 6,751,619 | \$ 25,231,129 | \$ 69,729,170 |
| Liabilities and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 64,880 | \$ 40,215 | \$ 57,370 | \$ - | \$ 240,818 | \$ 403,283 |
| Contracts Payable | - | - | 1,332 | - | 167,262 | 168,594 |
| Accrued Wages and Benefits | 68,188 | 240,980 | 182,920 | - | 46,156 | 538,244 |
| Matured Compensated Absences Payable | 22,838 | 16,075 | 24,451 | - | 6,468 | 69,832 |
| Intergovernmental Payable | 125,960 | 460,897 | 467,393 | - | 88,256 | 1,142,506 |
| Deferred Revenue | 3,397,206 | 11,801,652 | 7,271,929 | 3,444,838 | 9,028,829 | 34,944,454 |
| Advances from Other Funds | - | - | - | - | 1,439,669 | 1,439,669 |
| Notes Payable | - | - | - | - | 4,525,000 | 4,525,000 |
| Total Liabilities | 3,679,072 | 12,559,819 | 8,005,395 | 3,444,838 | 15,542,458 | 43,231,582 |
| Fund Balances | | | | | | |
| Reserved for Encumbrances | 71,594 | 84,685 | 261,924 | 48,708 | 882,873 | 1,349,784 |
| Reserved for Prepays | 87,241 | 157,919 | 90,357 | - | 69,485 | 405,002 |
| Unreserved: | | | | | | |
| Undesignated, Reported in: | | | | | | |
| General Fund | 3,362,792 | - | - | - | - | 3,362,792 |
| Special Revenue Funds | - | 7,731,006 | 1,654,618 | 3,258,073 | 3,497,034 | 16,140,731 |
| Debt Service Fund | - | - | - | - | 2,669,243 | 2,669,243 |
| Capital Projects Funds | - | - | - | - | 2,570,036 | 2,570,036 |
| Total Fund Balances | 3,521,627 | 7,973,610 | 2,006,899 | 3,306,781 | 9,688,671 | 26,497,588 |
| Total Liabilities and Fund Balances | \$ 7,200,699 | \$ 20,533,429 | \$ 10,012,294 | \$ 6,751,619 | \$ 25,231,129 | \$ 69,729,170 |

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, 2005

Total Governmental Fund Balances \$ 26,497,588

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 | 16,817,018 | |
| Construction in progress | 10,449,344 | |
| Infrastructure | 54,569,167 | |
| Other capital assets | 29,967,855 | |
| Accumulated depreciation | (36,480,498) | |
| Total capital assets | 75,322,886 | 75,322,886 |

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 | 4,073,770 | |
| Payment in Lieu of Taxes | 9,237,918 | |
| Special Assessments | 1,400,379 | |
| Due From Other Governments | 1,733,611 | |
| Accounts Receivable | 308,250 | |
| Interest Revenue | 89,852 | |
| | 16,843,780 | 16,843,780 |

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 | (145,443) | |
| Premium/Discount on bonds | (523,668) | |
| Unamortized issuance costs | 773,545 | |
| Bonds | (38,245,000) | |
| Compensated absences | (1,074,495) | |
| Total liabilities | (39,215,061) | (39,215,061) |

Net Assets of Governmental Activities \$ 79,449,193

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, 2005

| | General | Police | Fire & EMS | State Route 747 TIF | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|---------------------|------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | |
| Taxes | \$ 1,829,529 | \$ 10,145,775 | \$ 6,093,810 | \$ - | \$ 1,720,024 | \$ 19,789,138 |
| Charges for Services | 4,263 | 73,361 | 906,206 | - | 37,498 | 1,021,328 |
| Licenses and Permits | 427,917 | - | - | - | 525,505 | 953,422 |
| Fines and Forfeitures | 89,492 | 3,166 | - | - | 174,686 | 267,344 |
| Intergovernmental | 2,487,760 | 1,235,111 | 769,942 | - | 1,125,293 | 5,618,106 |
| Special Assessments | 12,930 | - | - | - | 372,505 | 385,435 |
| Interest | 851,081 | - | - | - | 100,237 | 951,318 |
| Payments in Lieu of Taxes | - | - | - | 1,306,061 | 3,829,568 | 5,135,629 |
| Contributions and Donations | 8,525 | 150 | 425 | - | 33,316 | 42,416 |
| Other | 31,465 | 49,059 | 1,023 | 54 | - | 81,601 |
| Total Revenues | 5,742,962 | 11,506,622 | 7,771,406 | 1,306,115 | 7,918,632 | 34,245,737 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 2,478,784 | - | - | - | 34,151 | 2,512,935 |
| Public Safety | - | 10,027,122 | - | - | 46,175 | 10,073,297 |
| Police | - | - | 7,400,763 | - | - | 7,400,763 |
| Fire & EMS | 12,024 | - | - | - | 2,533,535 | 2,545,559 |
| Public Works | - | - | - | - | 196,445 | 196,445 |
| Cemetery | 644,424 | - | - | - | 18,070 | 662,494 |
| Parks and Recreation | 566,516 | - | - | - | - | 566,516 |
| Planning and Zoning | 266,803 | - | - | - | 31,589 | 298,392 |
| Economic Development | - | - | - | - | 544,544 | 544,544 |
| Community Television | - | 678,842 | 777,629 | - | 4,039,563 | 5,496,034 |
| Capital Outlay | - | - | 55,000 | - | 1,505,000 | 1,560,000 |
| Debt Service | - | - | 67,505 | - | 1,814,029 | 1,881,534 |
| Principal Retirement | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - |
| Total Expenditures | 3,968,551 | 10,705,964 | 8,300,897 | - | 10,763,101 | 33,738,513 |
| Excess of Revenues Over (Under) Expenditures | 1,774,411 | 800,658 | (529,491) | 1,306,115 | (2,844,469) | 507,224 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from Sale of Fixed Assets | - | 19,475 | - | - | - | 19,475 |
| Premium from Notes Issued | - | - | - | - | 23,948 | 23,948 |
| Transfers - In | - | - | - | - | 550,000 | 550,000 |
| Transfers - Out | (550,000) | - | - | - | - | (550,000) |
| Total Other Financing Sources (Uses) | (550,000) | 19,475 | - | - | 573,948 | 43,423 |
| Net Change in Fund Balance | 1,224,411 | 820,133 | (529,491) | 1,306,115 | (2,270,521) | 550,647 |
| Fund Balances at Beginning of Year | 2,297,216 | 7,153,477 | 2,536,390 | 2,000,666 | 11,959,192 | 25,946,941 |
| Fund Balances at End of Year | \$ 3,521,627 | \$ 7,973,610 | \$ 2,006,899 | \$ 3,306,781 | \$ 9,688,671 | \$ 26,497,588 |

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, 2005

Net Change in Fund Balances - Total Governmental Funds \$ 550,647

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

Capital outlays are reported as expenditures in governmental funds.

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

| | | |
|---------------------------|--------------------|-----------|
| Capital Asset Additions | 6,746,759 | |
| Capital Asset Deletions | (21,706) | |
| Current Year Depreciation | <u>(3,008,010)</u> | |
| | | 3,717,043 |

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

| | | |
|----------------------------|---------------|-----------|
| Property Taxes | 1,902,237 | |
| Payment in Lieu of Taxes | 3,799,881 | |
| Due From Other Governments | 134,746 | |
| Special Assessments | 1,009,938 | |
| Charges for Services | (2,068) | |
| Accounts Receivable | (16,821) | |
| Interest Revenue | <u>89,852</u> | |
| | | 6,917,765 |

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

| | |
|---------------------------|-----------|
| Bond Principal Retirement | 1,560,000 |
|---------------------------|-----------|

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. 3,915

Governmental Funds report premiums, discounts and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities

| | |
|-------------------------------------|----------|
| Amortization of Bond Issuance Costs | (40,839) |
|-------------------------------------|----------|

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

| | |
|----------------------------------|--------|
| Bond Premiums/Discounts on Issue | 25,077 |
|----------------------------------|--------|

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.

| | |
|--|----------------|
| | <u>101,208</u> |
|--|----------------|

| | |
|---|-----------------------------|
| Change in Net Assets of Governmental Activities | <u><u>\$ 12,834,816</u></u> |
|---|-----------------------------|

See accompanying notes to the basic financial statements

West Chester Township
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2005

| | |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | <u>\$163,048</u> |
| Total Assets | <u><u>\$163,048</u></u> |
| Liabilities | |
| Intergovernmental Payable | <u>\$163,048</u> |
| Total Liabilities | <u><u>\$163,048</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, 2005

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 Fiscal Officer 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.

The West Chester Development Council (WCDC) is a legally separated, non-profit organization. The WCDC was established to serve as an agent for economic development for the Township. The Board is comprised of seven members. The members are separated into two voting classes. Class A consists of the three Township Trustees and Class B consists of four members of the public. One of the Class B trustees is elected by a majority of the Class A members (Township trustees) and the remaining three Class B trustees are elected by the a majority of all the WCDC members.

The WCDC is classified as a blended component unit of the Township based on the Township appointing a voting majority of the WCDC Board, the two Boards being substantively the same and the ability of the Township to impose its will on the WCDC. The WCDC’s only fund is presented on the government wide financial statements as a non-major special revenue fund. The WCDC follows the modified accrual basis of accounting; however, there is no difference between the amounts presented on the government wide financial statements and the amounts reported under modified accrual.

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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government and its component unit, except for fiduciary funds. The effect of inter-fund activity has been removed from these statements; however, any effect from interfund services provided and used are not eliminated in the process of consolidation.

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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

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.

State Route 747 TIF Fund The State Route 747 TIF special revenue fund accounts for payments received in lieu of taxes on property located in the State Route 747 tax incremental financing district.

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 was 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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, 2005, but which were levied to finance year 2006 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

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 2005 amounted to \$851,081, which includes \$775,977 assigned from other Township funds.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, 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 |

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 2 - Summary of Significant Accounting Policies (continued)

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.
- 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

State statutes classify monies held by the Township into three categories.

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 3 - Deposits and Investments (continued)

Inactive deposits are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 3 - Deposits and Investments (continued)

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 Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$8,492,812 of the Township's bank balance of \$10,988,753 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

The mutual and money market funds, amounting to \$984,143 and \$191,267 respectively, while held by bond trustees as the Township's agents and in the Township's name, are also considered uncollateralized and uninsured. However, their disposition and availability are governed by bond ordinances and indentures.

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

Investments

The Township follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2005, fair value was \$116,429 above the Township's net cost for its investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 3 - Deposits and Investments (continued)

As of December 31, 2005, the Township had the following investments and maturities.

| Investment Type | Fair Value | Investment Maturities | | | | |
|-------------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|------------------------|
| | | 6 months or less | 7 to 12 months | 13 to 18 months | 19 to 24 months | Greater than 24 months |
| Certificates of Deposit | \$342,888 | \$59,556 | \$133,782 | \$98,616 | \$ - | \$50,934 |
| Treasury Notes | 218,453 | 100,145 | 118,308 | - | - | - |
| FHLB Notes | 5,771,111 | 2,724,736 | 1,101,047 | 1,093,508 | 386,820 | 465,000 |
| FHLMC Notes | 7,725,187 | 460,918 | 3,058,536 | 978,990 | 49,716 | 3,177,027 |
| FNMA Notes | 5,968,378 | 1,130,458 | 579,960 | 54,330 | 596,618 | 3,607,012 |
| | <u>\$20,026,017</u> | <u>\$4,475,813</u> | <u>\$4,991,633</u> | <u>\$2,225,444</u> | <u>\$1,033,154</u> | <u>\$7,299,973</u> |

Interest Rate Risk: As a means of maximizing interest earnings in conjunction with minimizing fair value losses and maintaining consistent cash availability, the Township's investment portfolio is structured as a 5 year ladder. The Township does not have an investment policy other than State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: The Township's investments in the FHLB, FHLMC, and FNMA Coupon Notes were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers.

Concentration of Credit Risk: The Township places no limit on the amount it may be invested in any one issuer. Of the Township's total investments, 28.85% are FHLB Notes, 38.61% are FHLMC Notes, and 29.83% are FNMA Notes.

Reconciliation of Cash, Cash Equivalents and Investments

The following is a reconciliation of cash and investments to the Statement of Net Assets as of December 31, 2005.

| | |
|--|---------------------|
| Investments (summarized above) | \$20,026,017 |
| Carrying amount of the Township's Deposits | 10,864,252 |
| Money Market Funds held by Bond Trustees | 191,267 |
| Mutual Fund held by Bond Trustee | 984,143 |
| Total | <u>\$32,065,679</u> |

Governmental Activities

Equity in Pooled Cash, Cash Equivalents, and Investments \$31,902,631

Agency Funds

| | |
|--|---------------------|
| Equity in Pooled Cash, Cash Equivalents, and Investments | 163,048 |
| Total | <u>\$32,065,679</u> |

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 4 - Receivables

Receivables at December 31, 2005, 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 \$110,540. 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 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all Township operations for the year ended December 31, 2005, was \$13.09 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

| | |
|---|-------------------------------|
| Real Property – Residential, Agricultural and Other | \$1,597,625,190 |
| Personal Property | 214,537,824 |
| Public Utility (Personal Property) | <u>48,776,420</u> |
| Total Valuation | <u><u>\$1,860,939,434</u></u> |

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 4 – Receivables (continued)

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, 2005 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 2005 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:

| | <u>Amounts</u> |
|---------------------------------------|----------------|
| Local Government and Local Government | |
| Revenue Assistance | \$835,581 |
| Estate Tax | 825,189 |
| Homestead and Rollback | 2,065,262 |
| Gasoline and Excise Tax | 172,623 |
| Motor Vehicle License Tax | 43,312 |
| Fines, Fees and Forfeitures | 8,617 |
| Total | \$3,950,584 |

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 2005, 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 | \$17,922,400 | Buildings & Contents |
| | 2,543,139 | Inland Marine (Misc. Prop.) |
| | 1,283,924 | Electronic Data Processing |
| Boiler and Machinery Coverage | \$17,922,400 | Limit |

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 5 - Risk Management (continued)

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.

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

| | Balance 1/1/2005 | Additions | Deductions | Balance 12/31/2005 |
|--|---------------------|------------------|------------------|-----------------------|
| Governmental Activities | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$16,400,198 | 416,820 | 0 | 16,817,018 |
| Construction in Progress | 10,823,000 | 546,229 | (919,885) | 10,449,344 |
| Total Capital Assets, not being depreciated | <u>27,223,198</u> | <u>963,049</u> | <u>(919,885)</u> | <u>27,266,362</u> |
| Capital Assets, being Depreciated: | | | | |
| Land Improvements | 1,455,782 | 2,497,426 | 0 | 3,953,208 |
| Buildings and Improvements | 11,130,697 | 2,273,976 | 0 | 13,404,673 |
| Infrastructure | 54,569,167 | 0 | 0 | 54,569,167 |
| Machinery and Equipment | 10,699,487 | 1,932,193 | (21,706) | 12,609,974 |
| Total Capital Assets, being Depreciated | <u>77,855,133</u> | <u>6,703,595</u> | <u>(21,706)</u> | <u>84,537,022</u> |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | 848,001 | 72,331 | 0 | 920,332 |
| Buildings and Improvements | 1,419,104 | 98,389 | 0 | 1,517,493 |
| Infrastructure | 23,933,630 | 1,521,088 | 0 | 25,454,718 |
| Machinery and Equipment | 7,271,753 | 1,316,202 | 0 | 8,587,955 |
| Total Accumulated Depreciation | <u>33,472,488</u> | <u>3,008,010</u> | <u>0</u> | <u>36,480,498</u> |
| Total Capital Assets, being Depreciated, Net | <u>44,382,645</u> | <u>3,695,585</u> | <u>(21,706)</u> | <u>48,056,524</u> |
| Governmental Activities Capital Assets, Net | <u>\$71,605,843</u> | <u>4,658,634</u> | <u>(941,591)</u> | <u>75,322,886</u> |

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 6 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

| | |
|-------------------------------------|---------------------------|
| General Government | \$351,044 |
| Public Safety | |
| Police | 382,437 |
| Fire and Emergency Medical Services | 456,500 |
| Economic Development | 101 |
| Public Works | 1,617,609 |
| Cemetery | 13,031 |
| Park and Recreation | 18,676 |
| Planning and Zoning | 14,794 |
| Community Television | <u>153,818</u> |
| Total Depreciation Expense | <u><u>\$3,008,010</u></u> |

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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 8 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the Township during 2005 follows:

| | Amount Outstanding 1/1/2005 | Additions | Deletions | Amount Outstanding 12/31/2005 | Amounts Due in One Year |
|---|-----------------------------------|----------------|--------------------|-------------------------------------|-------------------------------|
| Governmental Activities | | | | | |
| <u>Unvoted General Obligation Bonds</u> | | | | | |
| 2001 – 4.00% - 5.50% | | | | | |
| Various Purpose Refunding Bonds | \$10,240,000 | 0 | (460,000) | 9,780,000 | 480,000 |
| 2002 – 2.15% - 5.75% | | | | | |
| Various Purpose Bonds | 14,060,000 | 0 | (495,000) | 13,565,000 | 510,000 |
| 2003 – 2.00% - 5.25% | | | | | |
| Various Purpose Bonds | 11,780,000 | 0 | (425,000) | 11,355,000 | 435,000 |
| <u>Revenue Bonds</u> | | | | | |
| 2004 – variable rate | | | | | |
| TIF Revenue Bonds | 3,725,000 | 0 | (180,000) | 3,545,000 | 185,000 |
| <u>Other Long Term Obligations</u> | | | | | |
| Premium on 2002 G.O. Bonds | 371,837 | 0 | (17,706) | 354,131 | 0 |
| Premium on 2003 G.O. Bonds | 176,908 | 0 | (7,371) | 169,537 | 0 |
| Compensated Absences | 1,175,703 | 521,255 | (552,631) | 1,144,327 | 458,041 |
| Total Governmental Activities | <u>\$41,529,448</u> | <u>521,255</u> | <u>(2,137,708)</u> | <u>39,912,995</u> | <u>2,068,041</u> |

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

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

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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 8 - Long-Term Obligations (continued)

The Township's overall legal debt margin was \$155,297,884 at December 31, 2005. Principal and interest requirements to retire the long-term debt obligations at December 31, 2005, are as follows:

| 2001 Various Purpose Refunding Bonds | | | |
|--------------------------------------|-------------|-------------|--------------|
| Years | Principal | Interest | Total |
| 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 | 555,000 | 384,840 | 939,840 |
| 2011-2015 | 3,175,000 | 1,521,953 | 4,696,953 |
| 2016-2020 | 4,015,000 | 633,750 | 4,648,750 |
| | \$9,780,000 | \$4,295,793 | \$14,075,793 |

| 2002 Various Purpose General Obligation Bonds | | | |
|---|--------------|-------------|--------------|
| Years | Principal | Interest | Total |
| 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 | 595,000 | 608,085 | 1,203,085 |
| 2011-2015 | 3,415,000 | 2,600,613 | 6,015,613 |
| 2016-2020 | 4,475,000 | 1,532,800 | 6,007,800 |
| 2021-2025 | 2,925,000 | 386,500 | 3,311,500 |
| | \$13,565,000 | \$7,780,263 | \$21,345,263 |

| 2003 Various Purpose General Obligation Bonds | | | |
|---|--------------|-------------|--------------|
| Years | Principal | Interest | Total |
| 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 | 480,000 | 450,962 | 930,962 |
| 2011-2015 | 2,685,000 | 1,979,996 | 4,664,996 |
| 2016-2020 | 3,335,000 | 1,318,327 | 4,653,327 |
| 2021-2025 | 1,985,000 | 524,938 | 2,509,938 |
| 2026-2028 | 1,075,000 | 109,250 | 1,184,250 |
| | \$11,355,000 | \$6,309,355 | \$17,664,355 |

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 8 - Long-Term Obligations (continued)

| 2004 Streets of West Chester Revenue Bonds | | | |
|--|-------------|-----------|-------------|
| Years | Principal | Interest | Total |
| 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 | 200,000 | 69,500 | 269,500 |
| 2011-2015 | 1,085,000 | 269,875 | 1,354,875 |
| 2016-2020 | 1,230,000 | 126,875 | 1,356,875 |
| 2021 | 265,000 | 6,625 | 271,625 |
| | \$3,545,000 | \$799,125 | \$4,344,125 |

Note 9 – Short-Term Debt Obligations

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

| <u>Fund/Issue</u> | <u>Amount Outstanding 1/1/2005</u> | <u>Issued</u> | <u>Retired</u> | <u>Amount Outstanding 12/31/2005</u> |
|---|--|---------------|----------------|--|
| 9113 Renovations Fund | | | | |
| Bond Anticipation Note - 2.05% | \$2,010,000 | \$2,010,000 | (\$2,010,000) | \$2,010,000 |
| Beckett Park Capital Improvements Fund | | | | |
| Bond Anticipation Note – 2.05% | 2,515,000 | 2,515,000 | (2,515,000) | 2,515,000 |
| Total | \$4,525,000 | \$4,525,000 | (\$4,525,000) | \$4,525,000 |

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). 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. The combined plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both defined benefit and 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, 2005

Note 10 - Defined Benefit Pension Plans (continued)

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report, that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio, 43215-4642, or by calling (614) 222-6701 or (800)-222-7377.

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, 2005, 2004 and 2003 were \$1,171,535, \$1,043,775 and \$875,584, respectively, equal to the required contributions for each year. The full amount has been contributed for 2004 and 2003. 96 percent has been contributed for 2005, 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 pension benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 24 percent for firefighters. The Township's required contributions to OP&F for the years ending December 31, 2005, 2004, and 2003 were \$540,474, \$714,845 and \$672,738, respectively. The full amount has been contributed for 2004 and 2003. 95 percent has been contributed for 2005, 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 retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2005 employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPER's latest actuarial review performed as of December 31, 2004 include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 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 at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next 8 years and 4 percent annually after 8 years.

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 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active participants in the traditional and combined plans was 376,109. Actual Township contributions for 2005 that were used to fund postemployment benefits were approximately \$418,578. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPER's net assets available for payment of benefits at December 31, 2004 (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

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 service, disability or survivor 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 school full-time or on a 2/3 basis.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 11 - Postemployment Benefits (continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is a pay-as-you-go basis. The total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of their health care coverage through a deduction from their monthly benefit program. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township's actual contributions for 2005 that were used to fund post-employment health care benefits were \$257,764. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 10,528 for firefighters.

Note 12 – Interfund Activity

Advances From/Advances To balances at December 31, 2005, consist of the following individual fund receivables and payables:

| Receivable Fund | Payable Fund | Amount |
|---------------------|-----------------------------|-----------|
| 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 |
| Grand Total | | 1,439,669 |

The Township made the following transfers during 2005:

| | Transfer In | Transfer Out |
|--------------------------------------|-------------|--------------|
| Major Funds: | | |
| General Fund | \$0 | \$550,000 |
| Nonmajor Funds: | | |
| Cemetery Special Revenue Fund | 150,000 | 0 |
| Road and Bridge Special Revenue Fund | 400,000 | 0 |
| Total | \$550,000 | \$550,000 |

All advances to/from other funds were the result of cash flow issues in the payable funds all being related to reimbursable grants.

The General fund transferred \$150,000 to the Cemetery fund and \$200,000 to the Road and Bridge fund for operating expenditures not covered by fund revenue. In addition, a prior year advance from the General fund to the Road and Bridge fund was reclassified as a transfer due to the inability of the Road and Bridge fund to repay the advance.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2005

Note 13 – Accountability and Accounting Changes

The following funds had deficit fund balances as of December 31, 2005:

| | |
|-------------------------------|-------------|
| <u>Special Revenue Funds:</u> | |
| Bike Trail Grant | \$87,240 |
| Clean Ohio Grant – Round II | 19,459 |
| | |
| <u>Capital Projects Fund:</u> | |
| 9113 Building Renovations | \$1,960,145 |

The deficits occurring in the Special Revenue Funds have occurred due to the recognition of liabilities, which are primarily 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.

For 2005, the Township has implemented *GASB Statement No. 40 – an amendment, “Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3”*. GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to credit risk, interest rate risk and foreign currency risk.

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, 2005, audits of certain programs have not been completed. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 1,302,770 | \$ 1,302,770 | \$ 1,819,254 | \$ 516,484 |
| Licenses, Permits, and Fees | 400,000 | 400,000 | 427,917 | 27,917 |
| Fines and Forfeitures | 50,000 | 50,000 | 89,492 | 39,492 |
| Intergovernmental | 1,607,196 | 1,607,196 | 2,521,810 | 914,614 |
| Special Assessments | 12,000 | 12,000 | 12,930 | 930 |
| Charges for Services | 5,000 | 5,000 | 4,263 | (737) |
| Contributions and Donations | 5,000 | 5,000 | 8,525 | 3,525 |
| Interest | 600,000 | 600,000 | 609,788 | 9,788 |
| Other | 10,000 | 10,000 | 14,544 | 4,544 |
| Total Revenue | 3,991,966 | 3,991,966 | 5,508,523 | 1,516,557 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Administration | 2,278,151 | 2,278,151 | 1,681,507 | 596,644 |
| Buildings and Grounds | 200,000 | 200,000 | 57,904 | 142,096 |
| Communication, Information, and Technology | 428,548 | 428,548 | 340,078 | 88,470 |
| Services Department | 394,767 | 394,767 | 383,264 | 11,503 |
| Senior Citizens | 100,000 | 100,000 | 12,547 | 87,453 |
| Total General Government | 3,401,466 | 3,401,466 | 2,475,300 | 926,166 |
| Public Works | | | | |
| Street Lighting | 36,398 | 36,398 | 12,024 | 24,374 |
| Parks and Recreation | 714,749 | 714,749 | 683,325 | 31,424 |
| Planning and Zoning | 639,682 | 639,682 | 563,098 | 76,584 |
| Economic Development | 302,947 | 302,947 | 264,224 | 38,723 |
| Total Expenditures | 5,095,242 | 5,095,242 | 3,997,971 | 1,097,271 |
| Excess of Revenues Over Expenditures | (1,103,276) | (1,103,276) | 1,510,552 | 2,613,828 |
| Other Financing Uses: | | | | |
| Operating Transfer-Out | (350,000) | (350,000) | (350,000) | - |
| Net Change in Fund Balance | (1,453,276) | (1,453,276) | 1,160,552 | 2,613,828 |
| Fund Balance at Beginning of Year | 2,177,855 | 2,177,855 | 2,177,855 | - |
| Prior Year Encumbrances Appropriated | 149,321 | 149,321 | 149,321 | - |
| Fund Balance at End of Year | \$ 873,900 | \$ 873,900 | \$ 3,487,728 | \$ 2,613,828 |

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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 10,210,292 | \$ 10,210,292 | \$ 10,145,775 | \$ (64,517) |
| Fines and Forfeitures | - | - | 3,166 | 3,166 |
| Intergovernmental | 100,000 | 100,000 | 703,251 | 603,251 |
| Charges for Services | 20,000 | 20,000 | 71,810 | 51,810 |
| Contributions and Donations | - | - | 150 | 150 |
| Other | 10,000 | 10,000 | 48,837 | 38,837 |
| Total Revenue | <u>10,340,292</u> | <u>10,340,292</u> | <u>10,972,989</u> | <u>632,697</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 16,131,310 | 15,501,739 | 10,110,736 | 5,391,003 |
| Capital Outlay | <u>159,811</u> | <u>789,382</u> | <u>697,507</u> | <u>91,875</u> |
| Total Expenditures | <u>16,291,121</u> | <u>16,291,121</u> | <u>10,808,243</u> | <u>5,482,878</u> |
| Excess Of Revenues Over Expenditures | <u>(5,950,829)</u> | <u>(5,950,829)</u> | <u>164,746</u> | <u>6,115,575</u> |
| Other Financing Sources | | | | |
| Sale of Assets | <u>-</u> | <u>-</u> | <u>19,475</u> | <u>19,475</u> |
| Net Change in Fund Balance | (5,950,829) | (5,950,829) | 184,221 | 6,135,050 |
| Fund Balance at Beginning of Year | 7,443,258 | 7,443,258 | 7,443,258 | - |
| Prior Year Encumbrances Appropriated | <u>291,121</u> | <u>291,121</u> | <u>291,121</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 1,783,550</u> | <u>\$ 1,783,550</u> | <u>\$ 7,918,600</u> | <u>\$ 6,135,050</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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 6,158,985 | \$ 6,158,985 | \$ 6,093,810 | \$ (65,175) |
| Intergovernmental | 105,000 | 105,000 | 455,049 | 350,049 |
| Charges for Services | 1,000,000 | 1,000,000 | 880,589 | (119,411) |
| Contributions and Donations | - | - | 425 | 425 |
| Other | - | - | 1,023 | 1,023 |
| | | | | |
| Total Revenue | 7,263,985 | 7,263,985 | 7,430,896 | 166,911 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Fire and EMS | 6,750,000 | 7,742,463 | 7,346,153 | 396,310 |
| Capital Outlay | 2,956,736 | 2,041,768 | 1,070,789 | 970,979 |
| Debt Services: | | | | |
| Principal Retirement | 100,000 | 55,000 | 55,000 | - |
| Interest and Fiscal Charges | 100,000 | 67,505 | 67,505 | - |
| | | | | |
| Total Expenditures | 9,906,736 | 9,906,736 | 8,539,447 | 1,367,289 |
| Net Change in Fund Balance | (2,642,751) | (2,642,751) | (1,108,551) | 1,534,200 |
| Fund Balance at Beginning of Year | 2,230,078 | 2,230,078 | 2,230,078 | - |
| Prior Year Encumbrances Appropriated | 806,736 | 806,736 | 806,736 | - |
| Fund Balance at End of Year | \$ 394,063 | \$ 394,063 | \$ 1,928,263 | \$ 1,534,200 |

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
State Route 747 Tax Increment Equivalent Fund
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Payments in Lieu of Property Taxes | \$ 650,000 | \$ 1,932,697 | \$ 1,306,061 | (626,636) |
| Other | - | - | 54 | 54 |
| Total Revenue | 650,000 | 1,932,697 | 1,306,115 | (626,582) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 1,257,695 | 1,270,350 | 12,708 | 1,257,642 |
| Capital Outlay | 1,036,000 | 1,023,345 | 36,000 | 987,345 |
| Total Expenditures | 2,293,695 | 2,293,695 | 48,708 | 2,244,987 |
| Net Change in Fund Balance | (1,643,695) | (360,998) | 1,257,407 | 1,618,405 |
| Fund Balance at Beginning of Year | 524,998 | 524,998 | 524,998 | - |
| Prior Year Encumbrances Appropriated | 36,000 | 36,000 | 36,000 | - |
| Fund Balance at End of Year | \$ (1,082,697) | \$ 200,000 | \$ 1,818,405 | 1,618,405 |

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, 2005

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 2005.

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, 2005

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.

| | <u>General Fund</u> | <u>Police Fund</u> | <u>Fire and EMS Fund</u> | <u>State Route 747 TIF</u> |
|----------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
| GAAP Basis | \$1,224,411 | \$820,133 | (\$529,491) | \$1,306,115 |
| Adjustments: | | | | |
| Revenue Accruals | (234,439) | (533,633) | (340,510) | 0 |
| Expenditure Accruals | 53,367 | 20,419 | 81,957 | 0 |
| Transfers | 200,000 | 0 | 0 | 0 |
| Encumbrances | <u>(82,787)</u> | <u>(122,698)</u> | <u>(320,507)</u> | <u>(48,708)</u> |
| Budget Basis | <u><u>\$1,160,552</u></u> | <u><u>\$184,221</u></u> | <u><u>(\$1,108,551)</u></u> | <u><u>\$1,257,407</u></u> |

**COMBINING
STATEMENTS AND
INDIVIDUAL
FUND SCHEDULES**

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

Township Motor Vehicle License Tax

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

Motor Vehicle License Tax

To account for the 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.

West Chester Community Television

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

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.

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.

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.

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.

Bike Trail Grant

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

Combining Statements – Nonmajor Governmental Funds
(Continued)

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.

Bulletproof Vest

To account for Federal Grant monies received for reimbursement of protective vests purchased by the police department.

Assistance To Firefighters Grant

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

Highway Safety Grant

To account for State Grant monies received for reimbursement of payroll expenses incurred during approved program operations.

Asset Forfeiture

To account for monies received from forfeited assets that are a result from Federal cases occurring in our jurisdiction.

FEMA 2004 Snow

To account for Federal Grant monies received for reimbursement of payroll, supplies, and equipment expenses incurred during the Federally declared snow emergency event that occurred during the days of December 22 - 24, 2004.

Street Lighting

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

UCB Landscape District

To account for assessments levied on property owners for the implementation, repair and maintenance costs of landscaping within the Union Centre Boulevard downtown area.

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.

Combining Statements – Nonmajor Governmental Funds
(Continued)

Firing Range Trust

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

West Chester Development Council

To account for the financial activity of the Township's component unit.

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.

State Route 747 Tax Increment Financing

To account for the monies used for construction costs and related debt proceeds for the State Route 747 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, 2005

| | 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 | \$ 5,351,753 | \$ 2,669,243 | \$ 8,012,790 | \$ 16,033,786 |
| Receivables | | | | |
| Taxes | 1,455,802 | - | - | 1,455,802 |
| Payments in Lieu of Taxes | 1,103,201 | 4,689,879 | - | 5,793,080 |
| Accounts | 118,552 | - | - | 118,552 |
| Intergovernmental | 360,045 | - | - | 360,045 |
| Special Assessments | 1,400,379 | - | - | 1,400,379 |
| Prepaid Items | 69,485 | - | - | 69,485 |
| Total Assets | 9,859,217 | 7,359,122 | 8,012,790 | 25,231,129 |
| Liabilities: | | | | |
| Accounts Payable | 107,055 | - | 133,763 | 240,818 |
| Contracts Payable | 98,414 | - | 68,848 | 167,262 |
| Accrued Wages and Benefits | 46,156 | - | - | 46,156 |
| Compensated Absences Payable | 6,468 | - | - | 6,468 |
| Intergovernmental Payable | 88,256 | - | - | 88,256 |
| Advances from Other Funds | 1,439,669 | - | - | 1,439,669 |
| Deferred Revenue | 4,338,950 | 4,689,879 | - | 9,028,829 |
| Notes Payable | - | - | 4,525,000 | 4,525,000 |
| Total Liabilities | 6,124,968 | 4,689,879 | 4,727,611 | 15,542,458 |
| Fund Balance: | | | | |
| Reserved for Encumbrances | 167,730 | - | 715,143 | 882,873 |
| Reserved for Prepaid Items | 69,485 | - | - | 69,485 |
| Unreserved, Undesignated Reported in: | | | | |
| Special Revenue | 3,497,034 | - | - | 3,497,034 |
| Debt Service | - | 2,669,243 | - | 2,669,243 |
| Capital Projects | - | - | 2,570,036 | 2,570,036 |
| Total Fund Balances | 3,734,249 | 2,669,243 | 3,285,179 | 9,688,671 |
| Total Liabilities and Fund Balances | \$ 9,859,217 | \$ 7,359,122 | \$ 8,012,790 | \$ 25,231,129 |

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, 2005

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|--|--|
| <u>Revenues:</u> | | | | |
| Property and Other Taxes | \$ 1,720,024 | \$ - | \$ - | \$ 1,720,024 |
| Payment in Lieu of Taxes | 367,002 | 3,462,566 | - | 3,829,568 |
| Charges for Services | 37,498 | - | - | 37,498 |
| Licenses and Permits | 525,505 | - | - | 525,505 |
| Fines and Forfeitures | 174,686 | - | - | 174,686 |
| Intergovernmental | 1,077,306 | - | 47,987 | 1,125,293 |
| Special Assessments | 372,505 | - | - | 372,505 |
| Contributions and Donations | 33,316 | - | - | 33,316 |
| Interest | 100,237 | - | - | 100,237 |
| Total Revenues | 4,408,079 | 3,462,566 | 47,987 | 7,918,632 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | 4,944 | - | 29,207 | 34,151 |
| Public Safety | | | | |
| Police | 46,175 | - | - | 46,175 |
| Public Works | 2,499,465 | - | 34,070 | 2,533,535 |
| Cemetery | 196,445 | - | - | 196,445 |
| Parks and Recreation | 18,070 | - | - | 18,070 |
| Economic Development | 31,589 | - | - | 31,589 |
| Community Television | 544,544 | - | - | 544,544 |
| Capital Outlay | 655,484 | - | 3,384,079 | 4,039,563 |
| Debt Service: | | | | |
| Principal Retirement | 35,000 | 1,290,000 | 180,000 | 1,505,000 |
| Interest and Fiscal Charges | 45,038 | 1,586,642 | 182,349 | 1,814,029 |
| Total Expenditures | 4,076,754 | 2,876,642 | 3,809,705 | 10,763,101 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 331,325 | 585,924 | (3,761,718) | (2,844,469) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Premium on Issued Notes | - | - | 23,948 | 23,948 |
| Transfers In | 550,000 | - | - | 550,000 |
| Total Other Financing Sources (Uses) | 550,000 | - | 23,948 | 573,948 |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | 881,325 | 585,924 | (3,737,770) | (2,270,521) |
| Fund Balances at Beginning of Year | 2,852,924 | 2,083,319 | 7,022,949 | 11,959,192 |
| Fund Balances at End of Year | <u>\$ 3,734,249</u> | <u>\$ 2,669,243</u> | <u>\$ 3,285,179</u> | <u>\$ 9,688,671</u> |

West Chester Township
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31,2005

| | Township Motor Vehicle License Tax | Motor Vehicle License Tax | Gasoline Tax | Road & Bridge | Cemetery |
|--|--|---------------------------------|-----------------|------------------|-----------|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 247,887 | \$ 77,871 | \$ 228,705 | \$ 143,692 | \$ 53,997 |
| Receivables: | | | | | |
| Taxes | 36,631 | - | - | 1,419,171 | - |
| Accounts | - | - | - | - | - |
| Due from Other Governments | - | 43,312 | 172,623 | 143,300 | - |
| Special Assessments Receivable | - | - | - | - | - |
| Prepaid Items | - | - | 117 | 55,807 | 6,220 |
| Payments in Lieu of Taxes Receivable | - | - | - | - | - |
| | \$ 284,518 | \$ 121,183 | \$ 401,445 | \$ 1,761,970 | \$ 60,217 |
| Total Assets | | | | | |
| | \$ 284,518 | \$ 121,183 | \$ 401,445 | \$ 1,761,970 | \$ 60,217 |
| | | | | | |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 70,619 | \$ 34,243 | \$ - | \$ - | \$ 102 |
| Contracts Payable | - | - | - | - | - |
| Accrued Wages and Benefits | - | - | - | 28,986 | 4,031 |
| Compensated Absences Payable | - | - | - | 5,828 | 640 |
| Due to Other Governments | - | - | - | 57,231 | 8,271 |
| Deferred Revenue | 36,631 | 37,259 | 148,046 | 1,494,382 | - |
| Advances From Other Funds | - | - | - | - | - |
| | 107,250 | 71,502 | 148,046 | 1,586,427 | 13,044 |
| Total Liabilities | | | | | |
| | 107,250 | 71,502 | 148,046 | 1,586,427 | 13,044 |
| | | | | | |
| Fund Balances | | | | | |
| Reserved for Encumbrances | 16,754 | 16,337 | - | 109 | 521 |
| Reserved for Prepays | - | - | 117 | 55,807 | 6,220 |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | 160,514 | 33,344 | 253,282 | 119,627 | 40,432 |
| | 177,268 | 49,681 | 253,399 | 175,543 | 47,173 |
| Total Fund Balances (Deficit) | | | | | |
| | 177,268 | 49,681 | 253,399 | 175,543 | 47,173 |
| | | | | | |
| Total Liabilities and Fund Balances | | | | | |
| | \$ 284,518 | \$ 121,183 | \$ 401,445 | \$ 1,761,970 | \$ 60,217 |

| Community Television | UCB Tax Increment Financing | Enforcement & Education | Purdue Pharma Grant | Drug Law Enforcement | Bike Trail Grant | Clean Ohio Round I | Clean Ohio Round II |
|----------------------|-----------------------------|-------------------------|---------------------|----------------------|-------------------|--------------------|---------------------|
| \$ 161,602 | \$ 2,453,779 | \$ 24,823 | \$ 2,686 | \$ 83,159 | \$ 312,760 | \$ 239,863 | \$ 786,559 |
| - | - | - | - | - | - | - | - |
| 118,552 | - | - | - | - | - | - | - |
| - | - | 500 | - | 310 | - | - | - |
| - | - | - | - | - | - | - | - |
| 6,761 | - | - | - | - | - | - | - |
| - | 1,103,201 | - | - | - | - | - | - |
| <u>\$ 286,915</u> | <u>\$ 3,556,980</u> | <u>\$ 25,323</u> | <u>\$ 2,686</u> | <u>\$ 83,469</u> | <u>\$ 312,760</u> | <u>\$ 239,863</u> | <u>\$ 786,559</u> |
| | | | | | | | |
| \$ 1,495 | \$ - | \$ 59 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 98,414 | - | - | - | - | - | - |
| 11,219 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 21,120 | - | - | - | - | - | - | - |
| 118,552 | 1,103,201 | 500 | - | - | - | - | - |
| - | - | - | - | - | 400,000 | 233,651 | 806,018 |
| <u>152,386</u> | <u>1,201,615</u> | <u>559</u> | <u>-</u> | <u>-</u> | <u>400,000</u> | <u>233,651</u> | <u>806,018</u> |
| | | | | | | | |
| 41 | 133,217 | 230 | - | - | - | - | - |
| 6,761 | - | - | - | - | - | - | - |
| <u>127,727</u> | <u>2,222,148</u> | <u>24,534</u> | <u>2,686</u> | <u>83,469</u> | <u>(87,240)</u> | <u>6,212</u> | <u>(19,459)</u> |
| <u>134,529</u> | <u>2,355,365</u> | <u>24,764</u> | <u>2,686</u> | <u>83,469</u> | <u>(87,240)</u> | <u>6,212</u> | <u>(19,459)</u> |
| <u>\$ 286,915</u> | <u>\$ 3,556,980</u> | <u>\$ 25,323</u> | <u>\$ 2,686</u> | <u>\$ 83,469</u> | <u>\$ 312,760</u> | <u>\$ 239,863</u> | <u>\$ 786,559</u> |

(continued)

West Chester Township
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005
(continued)

| | <u>Bulletproof Vest Grant</u> | <u>Assistance to Firefighters</u> | <u>Highway Safety Grant</u> | <u>Asset Forfeiture</u> | <u>FEMA 2004 Snow</u> |
|--|-----------------------------------|---------------------------------------|---------------------------------|-----------------------------|---------------------------|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 55 | \$ 158,426 | \$ 11,142 | \$ 94,288 | \$ - |
| Receivables: | | | | | |
| Taxes | - | - | - | - | - |
| Accounts | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | - |
| Special Assessments Receivable | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - |
| Payments in Lieu of Taxes Receivable | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ 55</u> | <u>\$ 158,426</u> | <u>\$ 11,142</u> | <u>\$ 94,288</u> | <u>\$ -</u> |
| | | | | | |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contracts Payable | - | - | - | - | - |
| Accrued Wages and Benefits | - | - | - | - | - |
| Compensated Absences Payable | - | - | - | - | - |
| Due to Other Governments | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - |
| Advances From Other Funds | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| Fund Balances | | | | | |
| Reserved for Encumbrances | - | - | - | - | - |
| Reserved for Prepaids | - | - | - | - | - |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | 55 | 158,426 | 11,142 | 94,288 | - |
| | <u>55</u> | <u>158,426</u> | <u>11,142</u> | <u>94,288</u> | <u>-</u> |
| Total Fund Balances (Deficit) | <u>55</u> | <u>158,426</u> | <u>11,142</u> | <u>94,288</u> | <u>-</u> |
| | | | | | |
| Total Liabilities and Fund Balances | <u>\$ 55</u> | <u>\$ 158,426</u> | <u>\$ 11,142</u> | <u>\$ 94,288</u> | <u>\$ -</u> |

| Street Lighting | UCB Landscape District | Cemetary Bequest | Park Trust | Firing Range Trust | West Chester Development Council | Total Nonmajor Special Revenue Funds |
|-------------------|------------------------|------------------|-----------------|--------------------|----------------------------------|--------------------------------------|
| \$ 156,907 | \$ 69,200 | \$ 14,598 | \$ 4,020 | \$ 5,130 | \$ 20,604 | \$ 5,351,753 |
| - | - | - | - | - | - | 1,455,802 |
| - | - | - | - | - | - | 118,552 |
| - | - | - | - | - | - | 360,045 |
| 275,379 | 1,125,000 | - | - | - | - | 1,400,379 |
| - | 580 | - | - | - | - | 69,485 |
| - | - | - | - | - | - | 1,103,201 |
| <u>\$ 432,286</u> | <u>\$ 1,194,780</u> | <u>\$ 14,598</u> | <u>\$ 4,020</u> | <u>\$ 5,130</u> | <u>\$ 20,604</u> | <u>\$ 9,859,217</u> |
| \$ - | \$ 422 | \$ - | \$ - | \$ 115 | \$ - | \$ 107,055 |
| - | - | - | - | - | - | 98,414 |
| - | 1,920 | - | - | - | - | 46,156 |
| - | - | - | - | - | - | 6,468 |
| - | 1,634 | - | - | - | - | 88,256 |
| 275,379 | 1,125,000 | - | - | - | - | 4,338,950 |
| - | - | - | - | - | - | 1,439,669 |
| <u>275,379</u> | <u>1,128,976</u> | <u>-</u> | <u>-</u> | <u>115</u> | <u>-</u> | <u>6,124,968</u> |
| - | 11 | - | 510 | - | - | 167,730 |
| - | 580 | - | - | - | - | 69,485 |
| <u>156,907</u> | <u>65,213</u> | <u>14,598</u> | <u>3,510</u> | <u>5,015</u> | <u>20,604</u> | <u>3,497,034</u> |
| <u>156,907</u> | <u>65,804</u> | <u>14,598</u> | <u>4,020</u> | <u>5,015</u> | <u>20,604</u> | <u>3,734,249</u> |
| <u>\$ 432,286</u> | <u>\$ 1,194,780</u> | <u>\$ 14,598</u> | <u>\$ 4,020</u> | <u>\$ 5,130</u> | <u>\$ 20,604</u> | <u>\$ 9,859,217</u> |

West Chester Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

| | Township Motor Vehicle License Tax | Motor Vehicle License Tax | Gasoline Tax | Road & Bridge | Cemetery |
|--|--|---------------------------------|-------------------|-------------------|------------------|
| Revenues | | | | | |
| Taxes | \$ 457,835 | \$ - | \$ - | \$ 1,262,189 | \$ - |
| Charges for Services | - | - | - | - | 35,530 |
| Licenses and Permits | - | - | - | - | 46,612 |
| Fines and Forfeitures | 14,848 | - | - | - | - |
| Intergovernmental | - | 81,768 | 288,047 | 160,906 | - |
| Special Assessments | - | - | - | - | - |
| Interest | 37,011 | 10,887 | 48,242 | - | - |
| Payments in Lieu of Taxes | - | - | - | - | - |
| Contributions and Donations | - | - | - | - | - |
| Total Revenues | <u>509,694</u> | <u>92,655</u> | <u>336,289</u> | <u>1,423,095</u> | <u>82,142</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | - | - | - | - |
| Public Safety | | | | | |
| Police | - | - | - | - | - |
| Public Works | 348,975 | 64,353 | 194,604 | 1,522,083 | - |
| Cemetery | - | - | - | - | 196,405 |
| Parks and Recreation | - | - | - | - | - |
| Economic Development | - | - | - | - | - |
| Community Television | - | - | - | - | - |
| Capital Outlay | - | - | 737 | - | 280 |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | <u>348,975</u> | <u>64,353</u> | <u>195,341</u> | <u>1,522,083</u> | <u>196,685</u> |
| Excess of Revenues Over (Under) Expenditures | <u>160,719</u> | <u>28,302</u> | <u>140,948</u> | <u>(98,988)</u> | <u>(114,543)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | - | - | 400,000 | 150,000 |
| Net Change in Fund Balance | 160,719 | 28,302 | 140,948 | 301,012 | 35,457 |
| Fund Balances Beginning of Year | <u>16,549</u> | <u>21,379</u> | <u>112,451</u> | <u>(125,469)</u> | <u>11,716</u> |
| Fund Balances End of Year | <u>\$ 177,268</u> | <u>\$ 49,681</u> | <u>\$ 253,399</u> | <u>\$ 175,543</u> | <u>\$ 47,173</u> |

| Community Television | UCB Tax Increment Financing | Enforcement & Education | Purdue Pharma Grant | Drug Law Enforcement | Bike Trail Grant | Clean Ohio Round I |
|----------------------|-----------------------------|-------------------------|---------------------|----------------------|------------------|--------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1,518 | - | - | - | - | - | - |
| 478,893 | - | - | - | - | - | - |
| - | - | 4,614 | - | 64,760 | - | - |
| - | - | 2,190 | - | 7,478 | 275,000 | 12,026 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 367,002 | - | - | - | - | - |
| - | - | 2,000 | - | - | - | - |
| 480,411 | 367,002 | 8,804 | - | 72,238 | 275,000 | 12,026 |
| - | 4,944 | - | - | - | - | - |
| - | - | 6,556 | 7,314 | 28,630 | - | - |
| - | 29,879 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 38 | 980 |
| - | - | - | - | - | - | - |
| 544,544 | - | - | - | - | - | - |
| 77,212 | 312,039 | - | - | 6,000 | 235,302 | - |
| 35,000 | - | - | - | - | - | - |
| 45,038 | - | - | - | - | - | - |
| 701,794 | 346,862 | 6,556 | 7,314 | 34,630 | 235,340 | 980 |
| (221,383) | 20,140 | 2,248 | (7,314) | 37,608 | 39,660 | 11,046 |
| - | - | - | - | - | - | - |
| (221,383) | 20,140 | 2,248 | (7,314) | 37,608 | 39,660 | 11,046 |
| 355,912 | 2,335,225 | 22,516 | 10,000 | 45,861 | (126,900) | (4,834) |
| \$ 134,529 | \$ 2,355,365 | \$ 24,764 | \$ 2,686 | \$ 83,469 | \$ (87,240) | \$ 6,212 |

(continued)

West Chester Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005
(continued)

| | Clean Ohio Round II | Bulletproof Vest Grant | Assistance to Firefighters | Highway Safety Grant | Asset Forfeiture |
|---|------------------------|---------------------------|-------------------------------|-------------------------|---------------------|
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for Services | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | - | 90,464 |
| Intergovernmental | - | 1,350 | 158,426 | 11,142 | - |
| Special Assessments | - | - | - | - | - |
| Interest | - | - | - | - | 3,824 |
| Payments in Lieu of Taxes | - | - | - | - | - |
| Contributions and Donations | - | - | - | - | - |
| Total Revenues | - | 1,350 | 158,426 | 11,142 | 94,288 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | - | - | - | - |
| Public Safety | | | | | |
| Police | - | - | - | - | - |
| Public Works | - | 1,295 | - | - | - |
| Cemetery | - | - | - | - | - |
| Parks and Recreation | 7,425 | - | - | - | - |
| Economic Development | - | - | - | - | - |
| Community Television | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Debt Service | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | 7,425 | 1,295 | - | - | - |
| Excess of Revenues Over (Under) Expenditures | (7,425) | 55 | 158,426 | 11,142 | 94,288 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | - | - | - | - |
| Net Change in Fund Balance | (7,425) | 55 | 158,426 | 11,142 | 94,288 |
| Fund Balances Beginning of Year | (12,034) | - | - | - | - |
| Fund Balances End of Year | \$ (19,459) | \$ 55 | \$ 158,426 | \$ 11,142 | \$ 94,288 |

| FEMA 2004 Snow | Street Lighting | UCB Landscape District | Cemetary Bequest | Park Trust | Firing Range Trust | West Chester Development Council | Total Nonmajor Special Revenue Funds |
|-------------------|--------------------|------------------------------|---------------------|-----------------|-----------------------|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,720,024 |
| - | - | - | - | - | 450 | - | 37,498 |
| - | - | - | - | - | - | - | 525,505 |
| - | - | - | - | - | - | - | 174,686 |
| 78,973 | - | - | - | - | - | - | 1,077,306 |
| - | 265,105 | 107,400 | - | - | - | - | 372,505 |
| - | - | - | 237 | - | - | 36 | 100,237 |
| - | - | - | - | - | - | - | 367,002 |
| - | - | - | - | 5,816 | - | 25,500 | 33,316 |
| <u>78,973</u> | <u>265,105</u> | <u>107,400</u> | <u>237</u> | <u>5,816</u> | <u>450</u> | <u>25,536</u> | <u>4,408,079</u> |
| - | - | - | - | - | - | - | 4,944 |
| - | - | - | - | - | 3,675 | - | 46,175 |
| 78,973 | 241,621 | 17,682 | - | - | - | - | 2,499,465 |
| - | - | - | 40 | - | - | - | 196,445 |
| - | - | - | - | 9,627 | - | - | 18,070 |
| - | - | - | - | - | - | 31,589 | 31,589 |
| - | - | - | - | - | - | - | 544,544 |
| - | - | 23,914 | - | - | - | - | 655,484 |
| - | - | - | - | - | - | - | 35,000 |
| - | - | - | - | - | - | - | 45,038 |
| <u>78,973</u> | <u>241,621</u> | <u>41,596</u> | <u>40</u> | <u>9,627</u> | <u>3,675</u> | <u>31,589</u> | <u>4,076,754</u> |
| - | 23,484 | 65,804 | 197 | (3,811) | (3,225) | (6,053) | 331,325 |
| - | - | - | - | - | - | - | 550,000 |
| - | 23,484 | 65,804 | 197 | (3,811) | (3,225) | (6,053) | 881,325 |
| - | 133,423 | - | 14,401 | 7,831 | 8,240 | 26,657 | 2,852,924 |
| <u>\$ -</u> | <u>\$ 156,907</u> | <u>\$ 65,804</u> | <u>\$ 14,598</u> | <u>\$ 4,020</u> | <u>\$ 5,015</u> | <u>\$ 20,604</u> | <u>\$ 3,734,249</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|-----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 463,473 | \$ 851,908 | \$ 457,835 | \$ (394,073) |
| Intergovernmental | - | - | 14,848 | 14,848 |
| Interest | - | - | 32,481 | 32,481 |
| Other | - | - | 4,613 | 4,613 |
| Total Revenue | <u>463,473</u> | <u>851,908</u> | <u>509,777</u> | <u>(342,131)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | <u>935,377</u> | <u>935,377</u> | <u>479,088</u> | <u>456,289</u> |
| Excess Of Revenues Over Expenditures | <u>(471,904)</u> | <u>(83,469)</u> | <u>30,689</u> | <u>114,158</u> |
| Other Financing Sources: | | | | |
| Operating Transfers - In | <u>-</u> | <u>-</u> | <u>40,995</u> | <u>40,995</u> |
| Net Change in Fund Balance | (471,904) | (83,469) | 71,684 | 155,153 |
| Fund Balance at Beginning of Year | 6,000 | 6,000 | 6,000 | - |
| Prior Year Encumbrances Appropriated | <u>83,469</u> | <u>83,469</u> | <u>83,469</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ (382,435)</u> | <u>\$ 6,000</u> | <u>\$ 161,153</u> | <u>\$ 155,153</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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|------------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 82,009 | \$ 120,266 | \$ 81,217 | \$ (39,049) |
| Interest | 2,000 | 5,000 | 10,904 | 5,904 |
| Total Revenue | 84,009 | 125,266 | 92,121 | (33,145) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 143,307 | 143,307 | 82,871 | 60,436 |
| Net Change in Fund Balance | (59,298) | (18,041) | 9,250 | 27,291 |
| Fund Balance at Beginning of Year | 18,029 | 18,029 | 18,029 | - |
| Prior Year Encumbrances Appropriated | 12 | 12 | 12 | - |
| Fund Balance at End of Year | \$ (41,257) | \$ - | \$ 27,291 | \$ 27,291 |

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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 200,900 | \$ 261,019 | \$ 281,007 | \$ 19,988 |
| Interest | - | - | 48,337 | 48,337 |
| Total Revenue | <u>200,900</u> | <u>261,019</u> | <u>329,344</u> | <u>68,325</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 297,555 | 296,818 | 202,677 | 94,141 |
| Capital Outlay | - | 737 | 737 | - |
| Total Expenditures | <u>297,555</u> | <u>297,555</u> | <u>203,414</u> | <u>94,141</u> |
| Net Change in Fund Balance | (96,655) | (36,536) | 125,930 | 162,466 |
| Fund Balance at Beginning of Year | 14,268 | 14,268 | 14,268 | - |
| Prior Year Encumbrances Appropriated | <u>88,508</u> | <u>88,508</u> | <u>88,508</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 6,121</u> | <u>\$ 66,240</u> | <u>\$ 228,706</u> | <u>\$ 162,466</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 1,292,931 | \$ 1,292,931 | \$ 1,262,189 | \$ (30,742) |
| Intergovernmental | 1,000 | 338,422 | 92,817 | (245,605) |
| Total Revenue | <u>1,293,931</u> | <u>1,631,353</u> | <u>1,355,006</u> | <u>(276,347)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | <u>1,345,871</u> | <u>1,695,871</u> | <u>1,561,588</u> | <u>134,283</u> |
| Excess Of Revenues Under Expenditures | <u>(51,940)</u> | <u>(64,518)</u> | <u>(206,582)</u> | <u>(142,064)</u> |
| Other Financing Sources: | | | | |
| Transfers - In | <u>-</u> | <u>40,000</u> | <u>237,978</u> | <u>197,978</u> |
| Net Change in Fund Balance | (51,940) | (24,518) | 31,396 | 55,914 |
| Fund Balance at Beginning of Year | <u>112,185</u> | <u>112,185</u> | <u>112,185</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 60,245</u> | <u>\$ 87,667</u> | <u>\$ 143,581</u> | <u>\$ 55,914</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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses, Permits, and Fees | \$ 28,687 | \$ 38,687 | \$ 46,612 | \$ 7,925 |
| Charges for Services | 1,813 | 15,000 | 35,530 | 20,530 |
| Total Revenue | 30,500 | 53,687 | 82,142 | 28,455 |
| Expenditures: | | | | |
| Current: | | | | |
| Cemetery | 175,220 | 198,099 | 196,377 | 1,722 |
| Capital Outlay | - | 308 | 300 | 8 |
| Total Expenditures | 175,220 | 198,407 | 196,677 | 1,730 |
| Excess Of Revenues Under Expenditures | (144,720) | (144,720) | (114,535) | 30,185 |
| Other Financing Sources: | | | | |
| Transfers - In | 150,000 | 150,000 | 150,000 | - |
| Net Change in Fund Balance | 5,280 | 5,280 | 35,465 | 30,185 |
| Fund Balance at Beginning of Year | 17,687 | 17,687 | 17,687 | - |
| Prior Year Encumbrances Appropriated | 220 | 220 | 220 | - |
| Fund Balance at End of Year | \$ 23,187 | \$ 23,187 | \$ 53,372 | \$ 30,185 |

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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|---------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Franchise Fees | \$ 463,000 | \$ 563,000 | \$ 478,893 | \$ (84,107) |
| Charges for Services | 10,000 | 10,000 | 1,518 | (8,482) |
| Total Revenue | <u>473,000</u> | <u>573,000</u> | <u>480,411</u> | <u>(92,589)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community Television | 545,921 | 543,668 | 533,546 | 10,122 |
| Capital Outlay | 4,877 | 82,092 | 77,215 | 4,877 |
| Debt Services: | | | | |
| Principal Retirement | 30,000 | 35,000 | 35,000 | - |
| Interest and Fiscal Charges | 25,000 | 45,038 | 45,038 | - |
| Total Expenditures | <u>605,798</u> | <u>705,798</u> | <u>690,799</u> | <u>14,999</u> |
| Excess of Revenues Under Expenditures | <u>(132,798)</u> | <u>(132,798)</u> | <u>(210,388)</u> | <u>(77,590)</u> |
| Net Change in Fund Balance | (132,798) | (132,798) | (210,388) | (77,590) |
| Fund Balance at Beginning of Year | 365,580 | 365,580 | 365,580 | - |
| Prior Year Encumbrances Appropriated | 4,877 | 4,877 | 4,877 | - |
| Fund Balance at End of Year | <u>\$ 237,659</u> | <u>\$ 237,659</u> | <u>\$ 160,069</u> | <u>\$ (77,590)</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, 2005

| | <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 | <u>\$ 3,227,754</u> | <u>\$ 3,227,754</u> | <u>\$ 367,002</u> | <u>\$ (2,860,752)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 1,234,876 | 1,118,865 | 64,425 | 1,054,440 |
| Capital Outlay | <u>1,134,693</u> | <u>1,250,704</u> | <u>323,010</u> | <u>927,694</u> |
| Total Expenditures | <u>2,369,569</u> | <u>2,369,569</u> | <u>387,435</u> | <u>1,982,134</u> |
| Net Change in Fund Balance | 858,185 | 858,185 | (20,433) | (878,618) |
| Fund Balance at Beginning of Year | 2,201,357 | 2,201,357 | 2,201,357 | - |
| Prior Year Encumbrances Appropriated | <u>134,693</u> | <u>134,693</u> | <u>134,693</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 3,194,235</u> | <u>\$ 3,194,235</u> | <u>\$ 2,315,617</u> | <u>\$ (878,618)</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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|----------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 6,000 | \$ 6,000 | \$ 4,614 | \$ (1,386) |
| Intergovernmental | - | 3,000 | 2,500 | (500) |
| Contributions and Donations | - | 396 | 2,000 | 1,604 |
| | | | | |
| Total Revenue | 6,000 | 9,396 | 9,114 | (282) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 31,603 | 31,603 | 6,787 | 24,816 |
| | | | | |
| Net Change in Fund Balance | (25,603) | (22,207) | 2,327 | 24,534 |
| Fund Balance at Beginning of Year | 19,507 | 19,507 | 19,507 | - |
| Prior Year Encumbrances Appropriated | 2,700 | 2,700 | 2,700 | - |
| Fund Balance at End of Year | \$ (3,396) | \$ - | \$ 24,534 | \$ 24,534 |

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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Total Revenue: | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 7,490 | 7,490 | 7,314 | 176 |
| Net Change in Fund Balance | (7,490) | (7,490) | (7,314) | 176 |
| Fund Balance at Beginning of Year | 2,510 | 2,510 | 2,510 | - |
| Prior Year Encumbrances Appropriated | 7,490 | 7,490 | 7,490 | - |
| Fund Balance at End of Year | <u>\$ 2,510</u> | <u>\$ 2,510</u> | <u>\$ 2,686</u> | <u>\$ 176</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental Revenue | \$ 5,000 | \$ 5,000 | \$ 7,478 | \$ 2,478 |
| Fines and Forfeitures | 20,000 | 402,292 | 64,700 | (337,592) |
| Total Revenue | <u>25,000</u> | <u>407,292</u> | <u>72,178</u> | <u>(335,114)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 109,609 | 109,609 | 29,334 | 80,275 |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>6,000</u> | <u>(6,000)</u> |
| Total Expenditures | <u>109,609</u> | <u>109,609</u> | <u>35,334</u> | <u>74,275</u> |
| Net Change in Fund Balance | (84,609) | 297,683 | 36,844 | (260,839) |
| Fund Balance at Beginning of Year | <u>46,315</u> | <u>46,315</u> | <u>46,315</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ (38,294)</u> | <u>\$ 343,998</u> | <u>\$ 83,159</u> | <u>\$ (260,839)</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 275,000 | \$ 275,000 | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and Recreation | - | - | 38 | (38) |
| Capital Outlay | 274,038 | 274,038 | 236,264 | 37,774 |
| Total Expenditures | 274,038 | 274,038 | 236,264 | 37,774 |
| Net Change in Fund Balance | (274,038) | 962 | 38,736 | 37,774 |
| Fund Balance at Beginning of Year | 24 | 24 | 24 | - |
| Prior Year Encumbrances Appropriated | 274,038 | 274,038 | 274,038 | - |
| Fund Balance at End of Year | <u>\$ 24</u> | <u>\$ 275,024</u> | <u>\$ 312,798</u> | <u>\$ 37,774</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 12,026 | \$ 12,026 | \$ - |
| Expenditures: | | | | |
| Parks and Recreation | 228,818 | 228,818 | 980 | 227,838 |
| Net Change in Fund Balance | (228,818) | (216,792) | 11,046 | 227,838 |
| Prior Year Encumbrances Appropriated | 228,818 | 228,818 | 228,818 | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 12,026</u> | <u>\$ 239,864</u> | <u>\$ 227,838</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, 2005

| | <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: | | | | |
| Parks and Recreation | 793,984 | 793,984 | 7,425 | 786,559 |
| Total Expenditures | - | - | 7,425 | 786,559 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Prior Year Encumbrances Appropriated | 793,984 | 793,984 | 793,984 | - |
| Fund Balance at End of Year | <u>\$ 793,984</u> | <u>\$ 793,984</u> | <u>\$ 786,559</u> | <u>\$ (7,425)</u> |

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bullet Proof Vest Grant
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ 1,350 | \$ (3,650) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 5,000 | 5,000 | 1,295 | 3,705 |
| Net Change in Fund Balance | - | - | 55 | 55 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ 55 | \$ 55 |

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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 90,935 | \$ 90,935 | \$ 158,426 | \$ 67,491 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Fire and EMS | 90,935 | 90,935 | - | 90,935 |
| Net Change in Fund Balance | - | - | 158,426 | 158,426 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ 158,426 | \$ 158,426 |

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Highway Safety Grant
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 20,000 | \$ 20,000 | \$ 11,142 | \$ (8,858) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 20,000 | 20,000 | - | 20,000 |
| Net Change in Fund Balance | - | - | 11,142 | 11,142 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,142</u> | <u>\$ 11,142</u> |

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Asset Forfeiture
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 20,000 | \$ 20,000 | \$ 90,464 | \$ 70,464 |
| Interest | - | - | 3,824 | 3,824 |
| Total Revenue | 20,000 | 20,000 | 94,288 | 74,288 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 20,000 | 20,000 | - | 20,000 |
| Net Change in Fund Balance | - | - | 94,288 | 94,288 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ 94,288 | \$ 94,288 |

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA 2004 Snow Fund
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 78,973 | \$ 78,973 | \$ 78,973 | \$ - |
| Total Expenditures | - | - | - | - |
| Other Financing Uses: | | | | |
| Operating Transfers - Out | (78,973) | (78,973) | (78,973) | - |
| 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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ 265,000 | \$ 265,000 | \$ 265,105 | \$ 105 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Street Lighting | 405,279 | 405,279 | 260,728 | 144,551 |
| Net Change in Fund Balance | (140,279) | (140,279) | 4,377 | 144,656 |
| Fund Balance at Beginning of Year | 152,527 | 152,527 | 152,527 | - |
| Fund Balance at End of Year | \$ 12,248 | \$ 12,248 | \$ 156,904 | \$ 144,656 |

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
UCB Landscape District
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Special Assessments | \$ 107,400 | \$ 107,400 | \$ 107,400 | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 15,738 | 15,738 | 14,708 | 1,030 |
| Capital Outlay | <u>24,262</u> | <u>24,262</u> | <u>23,925</u> | <u>337</u> |
| Total Expenditures | <u>40,000</u> | <u>40,000</u> | <u>38,633</u> | <u>1,367</u> |
| Net Change in Fund Balance | 67,400 | 67,400 | 68,767 | 1,367 |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 67,400</u> | <u>\$ 67,400</u> | <u>\$ 68,767</u> | <u>\$ 1,367</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|--------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 238 | \$ 238 |
| Expenditures: | | | | |
| Current: | | | | |
| Cemetery | 14,358 | 14,358 | 40 | 14,318 |
| Net Change in Fund Balance | (14,358) | (14,358) | 198 | 14,556 |
| Fund Balance at Beginning of Year | 14,401 | 14,401 | 14,401 | - |
| Fund Balance at End of Year | <u>\$ 43</u> | <u>\$ 43</u> | <u>\$ 14,599</u> | <u>\$ 14,556</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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Contributions and Donations | \$ 5,000 | \$ 7,130 | \$ 5,816 | \$ (1,314) |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and Recreation | 17,063 | 17,063 | 10,137 | 6,926 |
| Net Change in Fund Balance | (7,063) | (2,803) | (4,321) | (1,518) |
| Fund Balance at Beginning of Year | 2,562 | 2,562 | 2,562 | - |
| Prior Year Encumbrances Appropriated | 7,373 | 7,373 | 7,373 | - |
| Fund Balance at End of Year | <u>\$ 2,872</u> | <u>\$ 7,132</u> | <u>\$ 5,614</u> | <u>\$ (1,518)</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, 2005

| | <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 | \$ 5,000 | \$ 8,391 | \$ 450 | \$ (7,941) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | | | | |
| Police | 15,530 | 15,530 | 3,676 | 11,854 |
| Net Change in Fund Balance | (10,530) | (7,139) | (3,226) | 3,913 |
| Fund Balance at Beginning of Year | 8,240 | 8,240 | 8,240 | - |
| Fund Balance at End of Year | <u>\$ (2,290)</u> | <u>\$ 1,101</u> | <u>\$ 5,014</u> | <u>\$ 3,913</u> |

West Chester Township
Combining Balance Sheet
Nonmajor Debt Service Fund
December 31, 2005

| | UCB TIF Debt Service | 747 TIF Debt Service | Total Nonmajor Debt Service Funds |
|--|-------------------------|-------------------------|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,738,482 | \$930,761 | \$2,669,243 |
| Payment in Lieu of Taxes Receivable | 2,859,612 | 1,830,267 | 4,689,879 |
| <i>Total Assets</i> | \$4,598,094 | \$2,761,028 | \$7,359,122 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Deferred Revenue | \$2,859,612 | \$1,830,267 | \$4,689,879 |
| <i>Total Liabilities</i> | 2,859,612 | 1,830,267 | 4,689,879 |
| Fund Balances | | | |
| Unreserved, Undesignated, Reported in: | | | |
| Debt Service Funds | 1,738,482 | 930,761 | 2,669,243 |
| <i>Total Fund Balances</i> | 1,738,482 | 930,761 | 2,669,243 |
| <i>Total Liabilities and Fund Balances</i> | \$4,598,094 | \$2,761,028 | \$7,359,122 |

West Chester Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Fiscal Year Ended December 31, 2005

| | UCB TIF Debt Service | 747 TIF Debt Service | Total Nonmajor Debt Service Funds |
|--|---------------------------|-------------------------|--|
| Revenues | | | |
| Payments in Lieu of Taxes | \$ 2,240,755 | \$ 1,221,811 | \$ 3,462,566 |
| <i>Total Revenues</i> | <u>2,240,755</u> | <u>1,221,811</u> | <u>3,462,566</u> |
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirement | 950,000 | 340,000 | 1,290,000 |
| Interest and Fiscal Charges | 1,004,545 | 582,097 | 1,586,642 |
| <i>Total Expenditures</i> | <u>1,954,545</u> | <u>922,097</u> | <u>2,876,642</u> |
| <i>Excess of Revenues Over Exenditures</i> | <u>286,210</u> | <u>299,714</u> | <u>585,924</u> |
| <i>Net Change in Fund Balances</i> | 286,210 | 299,714 | 585,924 |
| <i>Fund Balances Beginning of Year</i> | <u>1,452,272</u> | <u>631,047</u> | <u>2,083,319</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$1,738,482</u></u> | <u><u>\$930,761</u></u> | <u><u>\$2,669,243</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, 2005

| | <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 | \$ 2,288,051 | \$ 2,584,437 | \$ 2,240,755 | \$ (343,682) |
| Expenditures: | | | | |
| Debt Services: | | | | |
| Principal Retirement | 2,036,709 | 2,036,709 | 950,000 | 1,086,709 |
| Interest and Fiscal Charges | 2,000,000 | 2,000,000 | 1,004,545 | 995,455 |
| Total Expenditures | 4,036,709 | 4,036,709 | 1,954,545 | 2,082,164 |
| Net Change in Fund Balance | (1,748,658) | (1,452,272) | 286,210 | 1,738,482 |
| Fund Balance at Beginning of Year | 1,452,272 | 1,452,272 | 1,452,272 | - |
| Fund Balance at End of Year | <u>\$ (296,386)</u> | <u>\$ -</u> | <u>\$ 1,738,482</u> | <u>\$ 1,738,482</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, 2005

| | <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 | \$ 1,529,025 | \$ 2,547,250 | \$ 1,221,811 | \$ (1,325,439) |
| Expenditures: | | | | |
| Debt Services: | | | | |
| Principal Retirement | 2,178,296 | 2,178,296 | 340,000 | 1,838,296 |
| Interest and Fiscal Charges | 1,000,000 | 1,000,000 | 582,097 | 417,903 |
| Total Expenditures | <u>3,178,296</u> | <u>3,178,296</u> | <u>922,097</u> | <u>2,256,199</u> |
| Net Change in Fund Balance | (1,649,271) | (631,046) | 299,714 | 930,760 |
| Fund Balance at Beginning of Year | <u>631,047</u> | <u>631,047</u> | <u>631,047</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ (1,018,224)</u> | <u>\$ 1</u> | <u>\$ 930,761</u> | <u>\$ 930,760</u> |

West Chester Township
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2005

| | 9113 Building Renovations | Union Centre Boulevard TIF Capital | 747 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 | \$ 68,882 | \$ 27,544 | \$ 444,905 | \$ 944,825 | \$ 3,376,660 | \$ 3,149,974 | \$ 8,012,790 |
| Total Assets | \$ 68,882 | \$ 27,544 | \$ 444,905 | \$ 944,825 | \$ 3,376,660 | \$ 3,149,974 | \$ 8,012,790 |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ - | \$ 7,000 | \$ - | \$ - | \$ - | \$ 126,763 | \$ 133,763 |
| Contracts Payable | 19,027 | - | 14,656 | - | 34,644 | 521 | 68,848 |
| Notes Payable | 2,010,000 | - | - | - | 2,515,000 | - | 4,525,000 |
| Total Liabilities | 2,029,027 | 7,000 | 14,656 | 0 | 2,549,644 | 127,284 | 4,727,611 |
| Fund Balances | | | | | | | |
| Reserved for Encumbrances | 2,626 | 6,000 | 173,980 | 1,045 | 34,598 | 496,894 | 715,143 |
| Unreserved, Undesignated, Reported in: Capital Projects Funds | (1,962,771) | 14,544 | 256,269 | 943,780 | 792,418 | 2,525,796 | 2,570,036 |
| Total Fund Balances | (1,960,145) | 20,544 | 430,249 | 944,825 | 827,016 | 3,022,690 | 3,285,179 |
| Total Liabilities and Fund Balances | \$68,882 | \$27,544 | \$444,905 | \$944,825 | \$3,376,660 | \$3,149,974 | \$8,012,790 |

West Chester Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

| | 9113 Building Renovations | Union Centre Boulevard TIF Capital | 747 TIF Capital | West Chester Community and Recreation Center | Beckett Park Capital Improvements | Streets of West Chester | Total Nonmajor Capital Projects Funds |
|--|---------------------------|------------------------------------|-----------------|--|-----------------------------------|-------------------------|---------------------------------------|
| Revenues | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 47,987 | \$ - | \$ 47,987 |
| Total Revenues | - | - | - | - | 47,987 | - | 47,987 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | - | - | - | 29,207 | - | - | 29,207 |
| Public Works | - | 34,070 | - | - | - | - | 34,070 |
| Other | - | - | - | - | - | - | - |
| Capital Outlay | 1,688,684 | 35,000 | 281,630 | 6,270 | 1,202,967 | 169,528 | 3,384,079 |
| Debt Service | - | - | - | - | - | 180,000 | 180,000 |
| Principal Retirement | - | - | - | - | 52,153 | 130,196 | 182,349 |
| Interest and Fiscal Charges | - | - | - | - | - | - | - |
| Total Expenditures | 1,688,684 | 69,070 | 281,630 | 35,477 | 1,255,120 | 479,724 | 3,809,705 |
| Excess of Revenues (Under) Expenditures | (1,688,684) | (69,070) | (281,630) | (35,477) | (1,207,133) | (479,724) | (3,761,718) |
| Other Financing Sources (Uses) | | | | | | | |
| Premium on Issued Notes | 10,537 | - | - | - | 13,411 | - | 23,948 |
| Total Other Financing Sources (Uses) | 10,537 | 0 | 0 | 0 | 13,411 | 0 | 23,948 |
| Net Change in Fund Balance | (1,678,147) | (69,070) | (281,630) | (35,477) | (1,193,722) | (479,724) | (3,737,770) |
| Fund Balances (Deficit) at Beginning of Year | (281,998) | 89,614 | 711,879 | 980,302 | 2,020,738 | 3,502,414 | 7,022,949 |
| Fund Balances (Deficit) End of Year | \$ (1,960,145) | \$ 20,544 | \$ 430,249 | \$ 944,825 | \$ 827,016 | \$ 3,022,690 | \$ 3,285,179 |

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, 2005

| | <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 | 2,912,409 | 1,903,409 | 1,847,690 | 55,719 |
| Debt Services: | | | | |
| Principal Retirement | - | - | 2,010,000 | (2,010,000) |
| Total Expenditures | <u>2,912,409</u> | <u>1,903,409</u> | <u>3,857,690</u> | <u>(1,954,281)</u> |
| Excess Of Revenues Under Expenditures | <u>(2,912,409)</u> | <u>(1,903,409)</u> | <u>(3,857,690)</u> | <u>(1,954,281)</u> |
| Other Financing Sources: | | | | |
| Premium on Issued Notes | - | - | 10,537 | 10,537 |
| Proceeds of Notes | - | - | 2,010,000 | 2,010,000 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>2,020,537</u> | <u>2,020,537</u> |
| Net Change in Fund Balance | (2,912,409) | (1,903,409) | (1,837,153) | 66,256 |
| Fund Balance at Beginning of Year | 1,000 | 1,000 | 1,000 | - |
| Prior Year Encumbrances Appropriated | <u>1,902,409</u> | <u>1,902,409</u> | <u>1,902,409</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ (1,009,000)</u> | <u>\$ -</u> | <u>\$ 66,256</u> | <u>\$ 66,256</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest | \$ - | \$ 50,000 | \$ - | \$ (50,000) |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works | | | | |
| Roads and Bridges | 39,614 | 48,614 | 34,070 | 14,544 |
| Capital Outlay | 12,390 | 53,390 | 41,000 | 12,390 |
| Total Expenditures | <u>52,004</u> | <u>102,004</u> | <u>41,000</u> | <u>61,004</u> |
| Net Change in Fund Balance | (52,004) | (52,004) | (41,000) | 11,004 |
| Fund Balance at Beginning of Year | 77,225 | 77,225 | 77,225 | - |
| Prior Year Encumbrances Appropriated | <u>12,390</u> | <u>12,390</u> | <u>12,390</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 37,611</u> | <u>\$ 37,611</u> | <u>\$ 48,615</u> | <u>\$ 11,004</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Other | \$ - | \$ 205,649 | \$ - | \$ (205,649) |
| Expenditures: | | | | |
| Capital Outlay | 499,090 | 704,739 | 442,799 | 261,940 |
| Net Change in Fund Balance | (499,090) | (499,090) | (442,799) | 56,291 |
| Fund Balance at Beginning of Year | 269,031 | 269,031 | 269,031 | - |
| Prior Year Encumbrances Appropriated | 444,939 | 444,939 | 444,939 | - |
| Fund Balance at End of Year | <u>\$ 214,880</u> | <u>\$ 214,880</u> | <u>\$ 271,171</u> | <u>\$ 56,291</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Total Revenue: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | - | 33,000 | 29,522 | 3,478 |
| Capital Outlay | <u>-</u> | <u>7,000</u> | <u>7,000</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>40,000</u> | <u>36,522</u> | <u>-</u> |
| Net Change in Fund Balance | - | (40,000) | (36,522) | 3,478 |
| Fund Balance at Beginning of Year | <u>980,302</u> | <u>980,302</u> | <u>980,302</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 980,302</u></u> | <u><u>\$ 940,302</u></u> | <u><u>\$ 943,780</u></u> | <u><u>\$ 3,478</u></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, 2005

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|---------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 47,987 | \$ 47,987 | \$ - |
| Expenditures: | | | | |
| Capital Outlay | 1,846,522 | 1,846,522 | 1,371,577 | 474,945 |
| Debt Services: | | | | |
| Principal Retirement | 300,000 | 300,000 | 2,515,000 | (2,215,000) |
| Interest and Fiscal Charges | 50,000 | 50,000 | 52,153 | (2,153) |
| Total Expenditures | <u>2,196,522</u> | <u>2,196,522</u> | <u>3,938,730</u> | <u>(1,742,208)</u> |
| Excess Of Revenues Under Expenditures | <u>(2,196,522)</u> | <u>(2,148,535)</u> | <u>(3,890,743)</u> | <u>(1,742,208)</u> |
| Other Financing Sources: | | | | |
| Premium on Issued Notes | - | - | 13,411 | 13,411 |
| Proceeds of Notes | - | - | 2,515,000 | 2,515,000 |
| Total Other Financing Sources: | <u>-</u> | <u>-</u> | <u>2,528,411</u> | <u>2,528,411</u> |
| Net Change in Fund Balance | (2,196,522) | (2,148,535) | (1,362,332) | 786,203 |
| Fund Balance at Beginning of Year | 3,013,732 | 3,013,732 | 3,013,732 | - |
| Prior Year Encumbrances Appropriated | <u>1,690,589</u> | <u>1,690,589</u> | <u>1,690,589</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 2,507,799</u> | <u>\$ 2,555,786</u> | <u>\$ 3,341,989</u> | <u>\$ 786,203</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, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Total Revenue: | \$ 662,938 | \$ 662,938 | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay | 1,949,626 | 1,949,626 | 666,422 | 1,283,204 |
| Debt Services: | | | | |
| Principal Retirement | 500,000 | 500,000 | 53,237 | 446,763 |
| Interest and Fiscal Charges | 500,000 | 500,000 | 130,196 | 369,804 |
| Total Expenditures | <u>2,949,626</u> | <u>2,949,626</u> | <u>849,855</u> | <u>2,099,771</u> |
| Net Change in Fund Balance | (2,286,688) | (2,286,688) | (849,855) | 1,436,833 |
| Fund Balance at Beginning of Year | <u>3,502,414</u> | <u>3,502,414</u> | <u>3,502,414</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 1,215,726</u> | <u>\$ 1,215,726</u> | <u>\$ 2,652,559</u> | <u>\$ 1,436,833</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 |
|------|--------------------|---------------|--------------|----------|----------------------|---------------------|----------------------|----------------|---------------|--------------------|
| 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 |
| 2005 | 2,478,784 | 0 | 12,024 | 0 | 644,424 | 566,516 | 266,803 | 0 | 0 | 3,968,551 |

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

Source: West Chester Finance Department

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 |
|------|-----------------------------|-------------------------|-------------------------|--------------------------|------------------------|--------------------------------|------------------------|----------|------------------|------------------|
| 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 |
| 2005 | 1,829,529 | 4,263 | 427,917 | 89,492 | 2,487,760 | 8,525 | 12,930 | 851,081 | 31,465 | 5,742,962 |

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

Source: West Chester Finance Department

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

| Collection Year | Current Tax Levy | Current Tax Collections (1) | Percent Collected | Delinquent | | Total Tax Collections | Percent of Total Tax Collections | | Percent of Outstanding Delinquent Taxes | |
|-----------------|------------------|-----------------------------|-------------------|-----------------|-----------------------|-----------------------|----------------------------------|---------------------|---|---------------------|
| | | | | Tax Collections | Total Tax Collections | | To Current Tax Levy | To Current Tax Levy | Delinquent Taxes (2) | To Current Tax Levy |
| 1996 | 9,780,756 | 9,429,055 | 96.40% | 208,977 | \$9,638,032 | 98.54% | 714,210 | 7.30% | | |
| 1997 | 10,287,457 | 9,829,761 | 95.55% | 189,782 | 10,019,543 | 97.40% | 982,124 | 9.55% | | |
| 1998 | 10,287,456 | 9,940,052 | 96.62% | 185,188 | 10,125,240 | 98.42% | 1,144,340 | 11.12% | | |
| 1999 | 11,071,997 | 10,525,265 | 95.06% | 313,828 | 10,839,093 | 97.90% | 1,377,244 | 12.44% | | |
| 2000 | 12,008,556 | 11,700,451 | 97.43% | 209,877 | 11,910,328 | 99.18% | 1,371,521 | 11.42% | | |
| 2001 | 14,477,757 | 13,930,695 | 96.22% | 294,933 | 14,225,628 | 98.26% | 1,161,644 | 8.02% | | |
| 2002 | 18,948,738 | 18,438,539 | 97.31% | 550,349 | 18,988,889 | 100.21% | 1,121,493 | 5.92% | | |
| 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% | | |
| 2005 | 21,447,409 | 19,396,191 | 90.44% | 618,070 | 20,014,261 | 93.32% | 2,654,922 | 12.38% | | |

(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 1997 was unavailable.

Source: Butler County Auditor

West Chester Township
Butler County, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten 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 | 4,451,801,869 | 48,309,760 | 193,239,040 | 196,317,964 | 223,088,595 | 1,801,201,804 | 4,868,129,504 | 37.00% |
| 2005 | 1,597,625,190 | 4,564,643,400 | 48,776,420 | 55,427,750 | 214,537,824 | 858,151,296 | 1,860,939,434 | 5,478,222,446 | 33.97% |

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 Ten Years

| Tax Year | Butler County | West Chester Township | Lakota School District | Princeton School District | Mason School District | Great Oaks JVS | Butler County JVS |
|----------|---------------|-----------------------|------------------------|---------------------------|-----------------------|----------------|-------------------|
| | | | | | | | |
| 1996 | \$7.45 | \$9.59 | \$56.24 | \$42.24 | \$62.36 | \$2.70 | \$1.93 |
| 1997 | 8.45 | 9.59 | 56.14 | 42.24 | 61.95 | 2.70 | 1.93 |
| 1998 | 8.45 | 9.59 | 56.14 | 42.24 | 61.95 | 2.70 | 1.93 |
| 1999 | 8.45 | 9.59 | 55.14 | 42.24 | 61.95 | 2.70 | 1.93 |
| 2000 | 8.45 | 10.59 | 61.88 | 46.19 | 61.95 | 2.70 | 1.93 |
| 2001 | 8.75 | 13.09 | 61.88 | 46.19 | 71.11 | 2.70 | 1.93 |
| 2002 | 8.75 | 13.09 | 60.84 | 45.79 | 72.61 | 2.70 | 1.93 |
| 2003 | 8.74 | 13.09 | 60.04 | 49.03 | 74.11 | 2.70 | 1.93 |
| 2004 | 8.74 | 13.09 | 60.04 | 49.03 | 74.11 | 2.70 | 1.93 |
| 2005 | 9.44 | 13.09 | 65.64 | 49.03 | 80.65 | 2.70 | 1.93 |

Source: Butler County Auditor's Office

West Chester Township
Special Assessment Billings and Collection
Last Nine Years

| Collection Year | Amount Billed | Amount (1) Collected | Percent Collected |
|--------------------|------------------|-------------------------|----------------------|
| 1997 | 136,429 | 141,613 | 103.80% |
| 1998 | 162,462 | 173,420 | 106.74% |
| 1999 | 163,860 | 180,520 | 110.17% |
| 2000 | 173,250 | 182,230 | 105.18% |
| 2001 | 210,383 | 207,159 | 98.47% |
| 2002 | 272,100 | 230,680 | 84.78% |
| 2003 | 152,005 | 137,341 | 90.35% |
| 2004 | 271,160 | 247,869 | 91.41% |
| 2005 | 436,988 | 385,433 | 88.20% |

(1) Amount includes carryover accumulated delinquencies

Note: Information prior to 1997 was not available.

Source: Butler County Auditor's Office

West Chester Township
Butler County, Ohio
Legal Debt Margin
Last 5 Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|
| Total Assessed Property Value | 1,488,301,944 | 1,721,977,960 | 1,741,666,429 | 1,801,201,804 | 1,860,939,434 |
| <u>10-1/2% Limitation</u> | | | | | |
| Overall Debt Limitation -10-1/2% of Assessed Valuation | 156,271,704 | 180,807,686 | 182,874,975 | 189,126,189 | 195,398,641 |
| Gross Indebtedness | 21,585,000 | 28,135,000 | 37,435,000 | 39,805,000 | 42,770,000 |
| Less Debt Outside Limitations | 0 | 0 | 0 | 0 | 0 |
| Debt Within 10-1/2% Limitation | 21,585,000 | 28,135,000 | 37,435,000 | 39,805,000 | 42,770,000 |
| Less Debt Service Fund Balance Available | 67,320 | 890,415 | 3,610,768 | 2,083,319 | 2,669,243 |
| Net Debt Within 10-1/2% Limitation | 21,517,680 | 27,244,585 | 33,824,232 | 37,721,681 | 40,100,757 |
| Legal Debt Margin Within 10-1/2% Limitation | <u>\$134,754,024</u> | <u>\$153,563,101</u> | <u>\$149,050,743</u> | <u>\$151,404,508</u> | <u>155,297,884</u> |
| <u>5-1/2% Limitation</u> | | | | | |
| Unvoted Debt Limitation -5-1/2% of Assessed Valuation | 81,856,607 | 94,708,788 | 95,791,654 | \$99,066,099 | 102,351,669 |
| Gross Indebtedness | 21,585,000 | 21,585,000 | 37,435,000 | \$39,805,000 | 42,770,000 |
| Less Debt Outside Limitations | 0 | 0 | 0 | 0 | 0 |
| Debt Within 5-1/2% Limitation | 21,585,000 | 21,585,000 | 37,435,000 | 39,805,000 | 42,770,000 |
| Less Debt Service Fund Balance Available | 67,320 | 890,415 | 3,610,768 | 2,083,319 | 2,669,243 |
| Net Debt Within 5-1/2% Limitation | 21,517,680 | 20,694,585 | 33,824,232 | 37,721,681 | 40,100,757 |
| Legal Debt Margin Within 5-1/2% Limitation | <u>\$60,338,927</u> | <u>\$74,014,203</u> | <u>\$61,967,422</u> | <u>\$61,344,418</u> | <u>\$62,250,912</u> |

West Chester Township
Butler County, Ohio

Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net Bonded Debt per Capita
Last Five 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 |
| 2005 | 54,895 | 1,860,939,434 | 39,225,000 | 2,669,243 | 36,555,757 | 1.96% | 665.92 |

(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 Five 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% |
| 2005 | 1,560,000 | 1,881,534 | 3,441,534 | 3,968,551 | 86.72% |

(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, 2005

| Jurisdiction | Net Debt Outstanding | Percentage Applicable To Township | Amount Applicable To Township |
|---|-------------------------|--------------------------------------|----------------------------------|
| DIRECT DEBT | | | |
| West Chester Township | \$ 39,225,000 | 100.00% | \$ 39,225,000 |
| OVERLAPPING DEBT | | | |
| Butler County | 74,780,000 | 23.44% | \$ 17,528,432 |
| Mason City School District | 140,245,000 | 0.28% | \$ 392,686 |
| Princeton City School District | 83,430,000 | 3.79% | \$ 3,161,997 |
| Lakota Local School District | 158,757,026 | 69.05% | \$ 109,621,726 |
| Butler Technology & Career Development | 195,000 | 25.59% | \$ 49,901 |
| Great Oaks Institute of Technology and Career Development | 4,340,000 | 0.41% | \$ 17,794 |
| Total Direct and Overlapping Debt | | | \$ 169,997,536 |

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 |
| 2005 | 54,895 | 17,800 | 5.3 |

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 Ten 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 |
| 2005 | 13,348,670 | 20,040,940 | 33,389,610 | 3,053,270,000 | 1,597,625,190 |

Source: Butler County Auditor, Federal Reserve Bank of Cleveland

West Chester Township
Butler County, Ohio
2005 Principal Taxpayers

| Company | Real Estate & Public Utility | Percent of Total Assessed Valuation |
|-----------------------------------|---------------------------------|--|
| Cincinnati Gas & Electric Co | 37,070,640 | 32.46% |
| Dugan Financing LLC | 16,725,300 | 14.65% |
| Duke Realty Ohio | 13,089,710 | 11.46% |
| Cincinnati Bell Telephone | 8,379,970 | 7.34% |
| Rreef America Reit II Corp | 7,359,880 | 6.44% |
| Security Capital | 6,985,200 | 6.12% |
| Union Station of West Chester LLC | 6,667,050 | 5.84% |
| Landings At Beckett Ridge | 6,591,950 | 5.77% |
| Port Union LLC | 5,920,430 | 5.18% |
| Meadow Ridge/Butler | 5,411,400 | 4.74% |
| Total | 114,201,530 | 100.00% |

West Chester Township
Butler County, Ohio
Miscellaneous Statistics

| | |
|---|-----------------|
| Year Established | 1823 |
| Area | 35 square miles |
| Miles of Streets | 270 |
| Employees | |
| Number of authorized full-time employees | 220 |
| Number of authorized part-time employees | 127 |
| Police Protection | |
| Police Chief | 1 |
| Authorized Civilian Employees | 10 |
| Number of Stations | 1 |
| Number of Policemen and Officers | 78 |
| Number of Dispatchers | 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 | 17,393 |
| 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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800-282-0370

Facsimile 614-466-4490

WEST CHESTER TOWNSHIP

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 9, 2006**