



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
West Chester Township, OH

YEAR ENDED DECEMBER 31, 2018



OHIO AUDITOR OF STATE
KEITH FABER



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Township Trustees
West Chester Township
9113 Cincinnati Dayton Road
West Chester, Ohio 45069

We have reviewed the *Independent Auditor's Report* of West Chester Township, Butler County, prepared by Mountjoy Chilton Medley LLP, for the audit period January 1, 2018 through December 31, 2018. 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 black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2019

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INTRODUCTORY SECTION

WEST CHESTER TOWNSHIP
BUTLER COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018



Issued by the Finance Department

West Chester Township
Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

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June 30, 2019

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

This detailed report of financial conditions, the Comprehensive Annual Financial Report (CAFR) for West Chester Township ("Township") has been compiled each year since 2001 and demonstrates the Township's ongoing commitment to fiscal responsibility and transparency.

This report, for the fiscal year ended December 31, 2018, includes financial statements and statistical data that provide complete and full disclosure of all material financial aspects of West Chester Township. The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rest with the Township, specifically with the Finance Director and Township Fiscal Officer.

The CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, a list of principle officials, a statement of budgeting strategy and economic outlook, an organizational chart of the Township and the Certificate of Achievement for Excellence in Financial Planning for the 2017 CAFR, for the year ending December 31, 2017.
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 providing an overview of the Township's financial position and operating results, the Combining Statements for non-major 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.

Introductory Control Structure and Budgetary Controls

The Township's accounting system is designed with internal accounting controls. Internal accounting controls provide reliable, but not absolute assurances 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 the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgement by Township administration and members of the finance office. 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 purchase amount. Each department has access to a report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services and within operational budget limits.

The West Chester Development Council (WCDC) is a legally separate, non-profit organization. The Board is comprised of the Township Trustees and four additional members appointed by the Board of Trustees. The WCDC was established to serve as a marketing 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.

Our appreciation is extended to the West Chester Township Board of Trustees, the West Chester Township Fiscal Officer; all Department Directors 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 endeavors to maintain.

Sincerely,



Larry D. Burks, MPA, CED, ICMA-CM
Township Administrator



Kenneth Keim, CPA, CMA
Finance Director

The Basics

West Chester Township operates as a limited home rule government led by a publicly elected three-member Board of Trustees. The Trustees are elected for overlapping terms of four years each. The Board has a publicly elected Fiscal Officer. The Board appoints the Township Administrator.

A township government is a political subdivision of the state that has only those powers granted to it by the state legislature. The township form of government is sometimes referred to as “ala carte government” because voters determine through ballot issues the level of support to be afforded certain services, i.e. levies to fund police and fire departments.

West Chester’s 35 square miles are all unincorporated and fall under the jurisdiction of West Chester Township, Butler County and the State of Ohio.

West Chester’s approximately \$45 million operational budget, its diverse collection of more than 3,500 businesses, and more than 64,000 citizens make it unique among other townships in the state.

As a township, West Chester has no authority to collect an income tax unless as part of a Joint Economic Development District. Even then, the township has to partner with a municipality to collect the JEDD payments. West Chester has one active JEDD that generates approximately \$1.5 million annually.

The primary government consists of all funds, departments, boards and agencies not legally separate from the Township. For West

Chester, this includes police, fire & emergency medical services, road maintenance & repairs, parks, planning & zoning, economic development, cemeteries and general administration. The Board of Trustees and Administrator have direct responsibility for these activities.

West Chester Township Leadership



Top row (left to right): Trustee Lee Wong and Trustee Ann Becker; **Bottom row (left to right):** Fiscal Officer Bruce Jones and Trustee Mark S. Welch



Township
Administrator
Larry D. Burks

Budgeting Strategy

West Chester's ongoing commitment to fiscal responsibility and its priority to remain a leading edge premier community are reflected in its budgeting practices.

West Chester pilots a course of economic stability and mindful investment in order to navigate the effects of the larger economy and the impacts of a maturing community while remaining competitive.

As West Chester matures, it is critical every effort be made to preserve property values and sustain development. This can be achieved by focusing on keeping the West Chester economy strong by investing in infrastructure and community amenities; promoting development and retaining a marketable workforce; and preserving property values by encouraging property maintenance and livability.

The Township works to strategically elevate its standing as a premier community, investing in those attributes which allow West Chester to remain marketable, sustainable, and to lead the way toward continued prosperity.

Residents and businesses enjoy excellent community services and a government organization committed to measurable and continued improvement.

West Chester's budgetary practice of conservatively projecting revenues has allowed the government to remain within self-imposed budgetary constraints, build a carryover which will benefit the community as it matures; and helped maintain a Moody's



Aaa bond rating for the community since 2010.

West Chester continues to manage an appropriate cash balance in all funds as a responsible budgeting strategy. The General Fund cash balance achieved more than \$1 million in growth annually beginning in 2007 until reaching nearly \$12 million in 2013. This cash balance allowed West Chester to weather the recession and reductions to revenues previously received from the State of Ohio. The General Fund cash balance has also made it possible to make a \$1.5 million annual transfer to the Road and Bridge Fund and receipt nearly half of interest earned to a Sustainable Infrastructure Fund to support escalating infrastructure maintenance costs.

West Chester has one Joint Economic Development District (JEDD) covering property located on the northwest corner of Cincinnati-Dayton Road and Union Centre Boulevard. JEDD revenues have augmented revenue losses or decreases to the General Fund and continue to be a viable revenue source for operations. JEDD revenue collected in 2018 totaled more than \$1.588 million, a portion of these funds were deposited into Police and Fire & EMS funds to address exempted collections with the remainder deposited in the General Fund.



West Chester has managed to maintain solvency through effective budget planning, right-sizing government operations, and reducing costs in some areas. West Chester has achieved these measures without sacrificing service to residents and businesses and the community's ability to compete and maintain its enviable position as a place "where families grow and businesses prosper."

Economic Outlook

West Chester is known as the economic engine of Butler County, offering amenities and attributes which have attracted Fortune 500 companies and leading innovators in the fields of aerospace, technology, medical

technology and advanced manufacturing. West Chester is not only home to large corporate investors such as AKSteel, GE Aviation, UCHHealth and P&G to name a few, but has also become an incubator for small companies poised to change the world through research and the development of new technologies.

West Chester has the highest assessed valuation in the Greater Cincinnati region (behind the City of Cincinnati) at \$1.96 billion.

West Chester's economy is a well-balanced blend of targeted industries including:

- Manufacturing
- Information Technology
- Corporate Headquarters/Office
- Health Care
- Life Sciences
- Logistics/Distribution

The Township's economy is further enhanced by the professional, business and financial services sector, providing support to these targeted industries. The local economy is diversified and balanced, not dominated by any particular industry or reliant upon any single major employer. This diversification sustains the local economy even when a particular industry sector may struggle.

West Chester's accessibility has been a primary factor in its position as a prime destination for commercial and corporate investment. The community lies equidistant from Cincinnati and Dayton and offers exceptional transportation options.

West Chester has the highest level of interstate access of any community in the

region other than its urban center, the City of Cincinnati. Considering Interstates 75 and the beltway, Interstate 275, West Chester has direct access to and development potential from five interstate interchanges; three of which are directly located within its limits. The Interstate 275 regional beltway has two interchanges at the Township's southern and western edges.

In 2018, West Chester tracked nearly \$81.58 million in new capital investment. This new investment accounts for nearly 1.8 million square feet of commercial development, nearly 600 new jobs and nearly 700 jobs retained in the community.

Residential Growth

WHILE WEST CHESTER CONTINUES TO SEE NEW COMMERCIAL DEVELOPMENT, THE COMMUNITY HAS ALSO RETAINED THOSE QUALITIES THAT HAVE ALWAYS MADE IT A WONDERFUL PLACE TO LIVE & RAISE A FAMILY. IN FACT, WEST CHESTER HAS BEEN NAMED *SEVEN TIMES TO MONEY MAGAZINE'S TOP 100 "BEST PLACES TO LIVE IN AMERICA."*

Diverse housing options are available to suit discerning residents. There are about 24,000 housing units in West Chester with 80% owner occupied. The median home value in 2017 was nearly \$218,500.

Public Safety

West Chester benefits from its own professional police, fire and emergency medical services supported by dedicated levies approved by voters. The West Chester Police Department is funded through a total 7-mil levy approved by voters in 2010. The West Chester Fire Department protects the community with a 6-mil levy approved by voters in 2006.

The West Chester Police Department leadership works proactively to promote operational efficiencies and maintains a proven approach of intelligence-led policing using technology as a crime prevention tool, a way to deploy resources, and as a method of maintaining public trust.

The West Chester Police Department builds strong community relationships by offering programs that provide residents and businesses the tools they need to stay safe. This outreach supports investigation of crimes when they occur and can actually help reduce crime.

In 2018, West Chester responded to approximately 46,000 calls for service. Part I crimes, the most violent category of crimes, were down 2.7%.



The quick response of a well-trained professional fire department attributes to lower insurance rates for those who live and operate businesses in West Chester.

In 2018, the Fire Department responded to 6,690 total calls for service, 4,607 were for medical services. There was a 2.28% increase in fire calls in 2018.

Each year, West Chester’s fire personnel reaches thousands of residents with important prevention programming. This includes young children in Lakota Schools learning to stop, drop and roll and not to be afraid of a firefighter in full turnout gear. As well as residents of all ages learning to properly use a fire extinguisher, create an escape plan, perform CPR and many other life-saving skills.

The Fire Department also plays a role in the development and construction of commercial properties, performing more than 4,400 fire inspections and nearly 500 plan reviews.



Community Services

West Chester’s Community Services Department is responsible for maintenance of community parks and facilities, culverts

and storm drains and more than 220 miles of public roadway.

Maintaining West Chester’s infrastructure has been identified as critical to sustaining our reputation as a premier community for economic development and a great place to live.



It has been possible to advance the infrastructure improvement schedule due to successful TIF areas and an expanded partnership with the Butler County Engineer’s Office.

In the more than 20 years since the opening of the Union Centre Boulevard interchange, nearly \$400 million has been invested in major infrastructure improvements with funding from West Chester Township, Butler County and the Ohio Department of Transportation.

West Chester owns and manages approximately 300 acres of park property offering a blend of active and passive recreational amenities for the community’s enjoyment.

West Chester parks are programmed with concerts, events and youth programming designed add energy and vitality to the community.

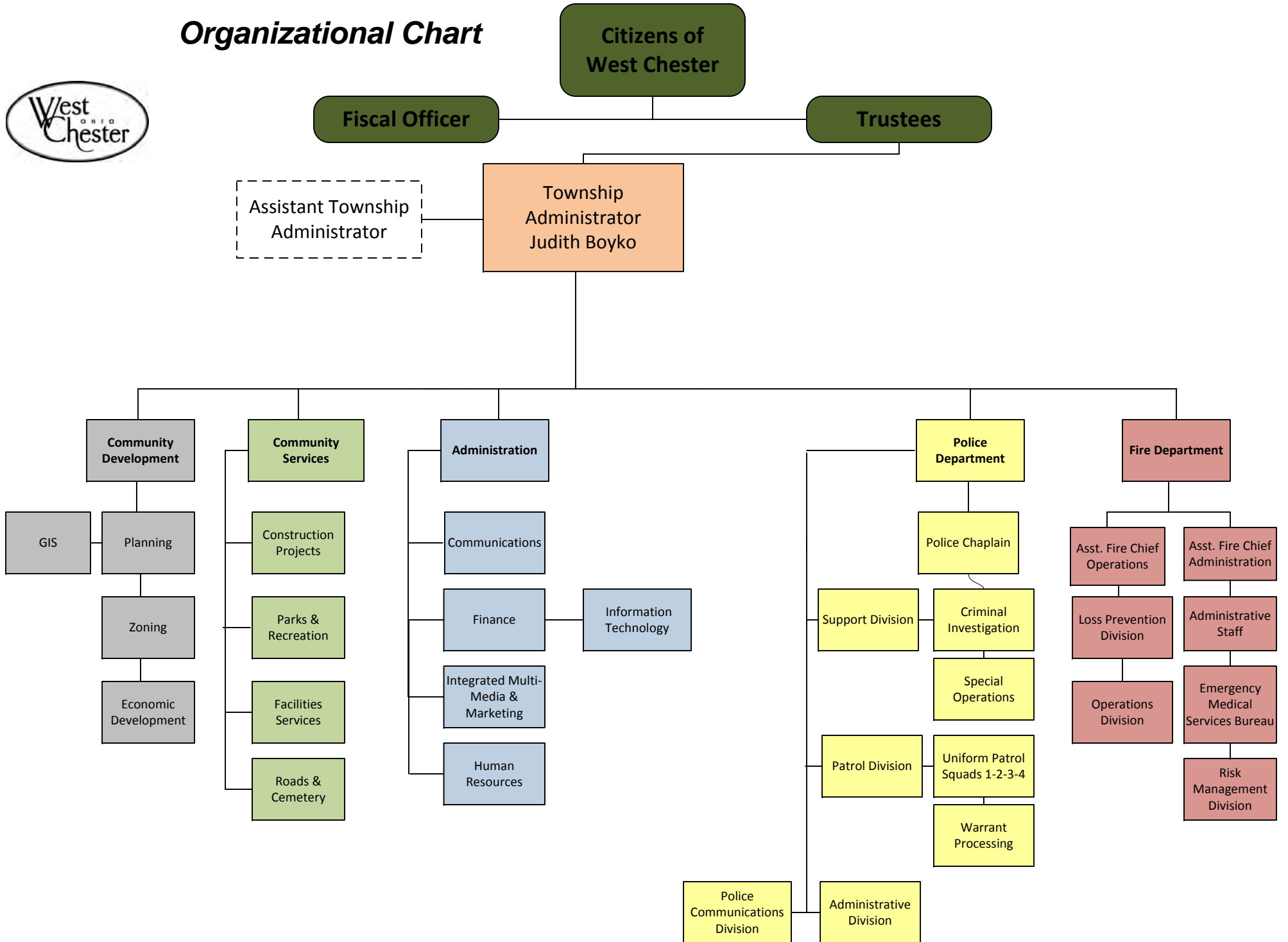
Two weekly summer concert series, a Food Truck Rally, Farmers Market, BBQ Fest and more give residents and visitors plenty of reasons to gather and celebrate.

A tournament-quality youth baseball complex owned by the Township is operated, managed and programmed by a community partner brings visitors to the community from across the country.

A 500-acre county park located in West Chester also provides residents with tournament-quality soccer fields, a recreational lake and walking paths.



Organizational Chart



West Chester Township
Butler County, Ohio
List of Principal Officials
December 31, 2018

Elected Officials

Trustee	Mark Welch
Trustee	Lee Wong
Trustee	Ann Becker
Fiscal Officer	Bruce Jones

Appointed Officials

Administrator	Larry Burks
Chief of Police	Joel Herzog
Fire Chief	Rick Prinz
Director of Services	Timothy Franck
Director of Community Development	Aaron Wiegand
Director of Integrated Multi Media & Marketing	Barbara Wilson
Director of Human Resources	Joan Germann
Director of Finance	Kenneth Keim
Director of Communications & IT	Dennis Dick



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**West Chester Township
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION



Independent Auditor's Report

To the Board of Trustees
West Chester Township, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Chester Township, Butler County, Ohio (the "Township") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Kentucky
Indiana
Ohio

MCM CPAs & Advisors LLP

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Chester Township, Butler County, Ohio as of December 31, 2018, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Adoption of GASB Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions*

As noted in Note 15 to the financial statements, the Township has implemented Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. The standard requires measuring the other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the plan, and OPEB expense and include information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position within the financial statements. The cumulative effect of applying GASB No. 75 is presented as a restatement of beginning net position.

Emphasis of Matter - Restatement of Opening Net Position

As noted in Note 15 to the financial statements, net position balances on January 1, 2018 have been restated to account for pension related deferred inflows of resources and deferred outflows of resources that were incorrectly reported. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 14, the budgetary comparison information on pages 70 - 74, the schedule of proportionate share of the net pension liability and schedule of contributions on pages 75 - 78, the schedule of proportionate share of the OPEB liability and schedule of contributions on pages 79 - 82 and the related notes to the required supplementary information on pages 83 - 85, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Chester Township, Butler County, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules of nonmajor governmental funds, and statistical section 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 the budgetary comparison schedules of nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules of nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019, on our consideration of the West Chester Township, Butler County, Ohio'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Cincinnati, Ohio
June 19, 2019

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West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Chester Township's (the "Township") discussion and analysis of annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2018.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$6.6 million.
- Net capital assets of the Township decreased by \$1.9 million.
- General revenues accounted for \$55.2 million or approximately 94 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$3.7 million or approximately 6 percent of total revenues.
- At the end of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$120.5 million. Of this amount, \$10.2 million represents residual net resources (unassigned) that can be used by the Township as needed.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$10.2 million or approximately 144 percent of total general fund expenditures and other financing uses.

USING THIS ANNUAL FINANCIAL REPORT

This annual report includes a series of financial statements. These statements are presented in order that the reader may better understand the Township's financial situation as a whole and also benefit from a detailed view of the Township's fiscal condition.

The Statement of Net Position 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 reveal how services were financed in the short-term, as well as funds available for future spending. The fund financial statements consider the Township's most significant funds with all other non-major funds presented in total.

REPORTING THE TOWNSHIP AS A WHOLE

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

The analysis of the Township as a whole begins with the Statement of Net Position and the Statement of Activities as identified in the Table of Contents.

While this document contains information about the funds used by the Township to provide services to citizens, the view of the Township as a whole considers all financial transactions. The Statement of Net Position and the Statement of Activities respond to the question, "How did we do financially during 2018?" These statements include all assets, liabilities and deferred inflows and outflows using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers 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, 2018

These two statements report the Township's net position and the change in net position. This change in net position is important as it tells the reader whether the financial position of the Township has improved or diminished. However, when evaluating the overall position of the Township, other nonfinancial factors such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes will also require evaluation.

In the Statement of Net Position 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 with the Balance Sheet as identified in the Table of Contents. 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 restricted for a particular purpose or to show 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, UCB Tax Increment Financing, UCB TIF Debt Service and 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 non-major 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, 2018

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 Position, Statement of Activities, and fund financial statements.

THE TOWNSHIP AS A WHOLE

As stated previously, the Statement of Net Position considers the Township as a whole. Table 1 provides a summary of the Township's net position for 2018 compared to 2017.

TABLE 1 - NET POSITION
(in millions)

	Governmental Activities	
	2018	2017 (Restated)
Assets		
Current and Other Assets	\$ 172.4	\$ 168.3
Capital Assets, Net	115.3	117.2
Total Assets	287.7	285.5
 Deferred Outflows of Resources	 10.2	 14.5
Liabilities		
Current and Other Liabilities	4.8	2.4
Long-Term Liabilities		
Due within One Year	4.8	6.1
Due in More Than One Year	83.5	101.4
Total Liabilities	93.1	109.9
 Deferred Inflows of Resources	 48.6	 40.5
Net Position		
Net Investment in Capital Assets	92.6	82.4
Restricted for:		
Police	0.3	-
Fire & EMS	0.5	-
Tax Increment Financing Districts	71.2	71.7
Other purposes	3.1	4.4
Unrestricted	(11.5)	(8.9)
Total Net Position	\$ 156.2	\$ 149.6

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

The net pension liability (NPL) is the largest single liability reported by the Township at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the Township adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the Township's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Township is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Township's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Township is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017, from \$174,060,801 to \$149,652,808 for governmental activities.

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense.

Total net position increased \$6.6 million and the Township had a net capital asset decrease of \$1.9 million for 2018. The Township's net position increased due to revenue streams, specifically property tax and payments in lieu of taxes revenues, continuing to exceed the carefully monitored and managed expenses of the Township.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

Governmental Activities

The changes in net position for 2018 and 2017 are outlined below:

TABLE 2 - CHANGE IN NET POSITION
(in millions)

	Governmental Activities	
	<u>2018</u>	<u>2017 (Restated)</u>
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 3.1	\$ 2.8
Operating Grants and Contributions	<u>0.6</u>	<u>0.7</u>
Total Program Revenues	<u>3.7</u>	<u>3.5</u>
<i>General Revenues</i>		
Property and Other Taxes	47.3	45.0
Grants and Entitlements	5.7	5.6
Unrestricted Investment Earnings	<u>2.2</u>	<u>1.3</u>
Total General Revenues	<u>55.2</u>	<u>51.9</u>
Total Revenues	<u>58.9</u>	<u>55.4</u>
Program Expenses:		
General Government	4.0	3.7
Public Safety		
Police	15.8	16.2
Fire and Emergency Medical Services	15.3	13.9
Public Works	9.1	5.8
Cemetery	0.3	0.3
Parks and Recreation	0.9	1.0
Planning and Zoning	0.8	0.8
Community Television	0.6	0.5
Payments to Schools	4.2	4.0
Interest and Fiscal Charges	<u>1.3</u>	<u>1.5</u>
Total Expenses	<u>52.3</u>	<u>47.7</u>
Increase in Net Position	6.6	7.7
Net Position Beginning of Year, Restated	<u>149.6</u>	<u>141.9</u>
Net Position End of Year	<u>\$ 156.2</u>	<u>\$ 149.6</u>

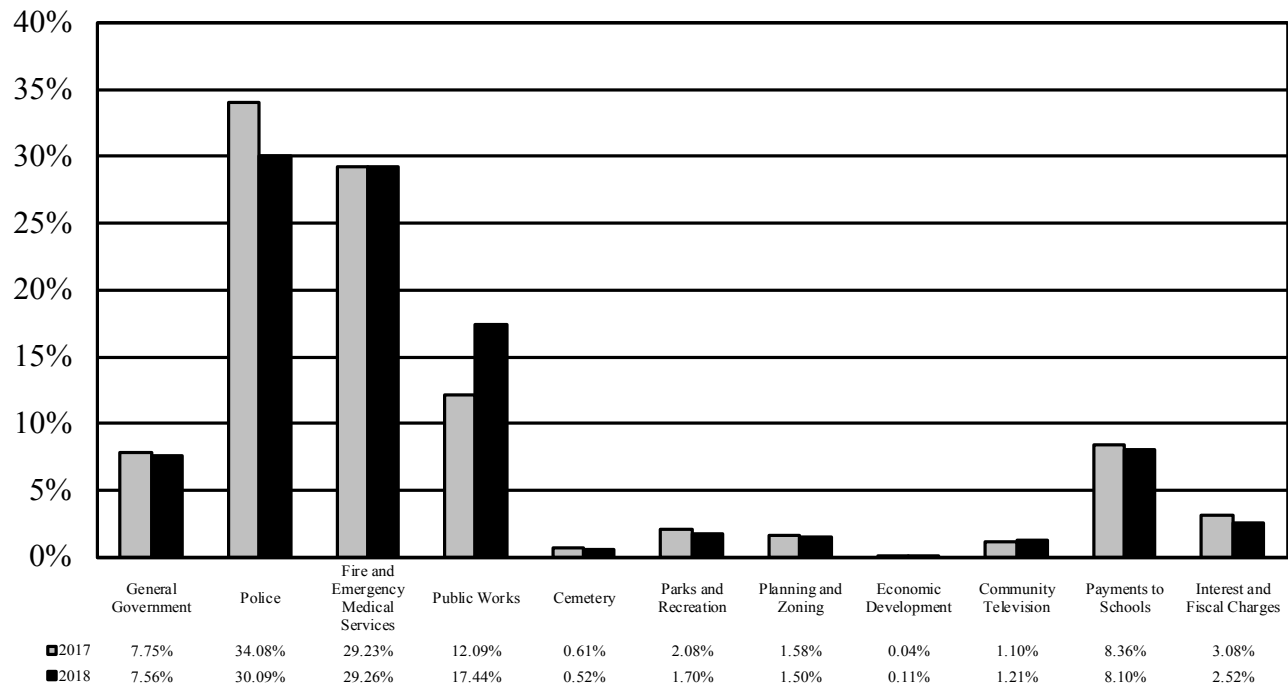
West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

Total Program Revenues decreased slightly by \$.2 million in 2018 compared to 2017, which is essentially flat.

Total General Revenues increased by \$3.3 million. Property and other taxes increased by \$2.3 million as PILOT collections again increased year over year. Additionally, unrestricted investment earnings increased by \$.9 million in 2018 as conditions in the financial markets the Township invests in were more favorable.

The primary focus of the Township's activities is on public safety, represented by the police, fire and emergency medical services departments. For 2018, total expenses related to public safety were \$31.1 million representing 59% of total governmental expenses, yielding a reliance on general revenues to fund the program of \$29.0 million.

Individual function / program expenses for 2018 and 2017 by percentage of total function / 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 also considered integral to quality of life.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

When considering the sources of income to support operations, it should be noted that charges for services are only 5% of revenue, while 80% of revenue is derived from property and other taxes. The Township relies on these taxes to furnish the quality of life amenities to businesses and citizens that current Township trustees and previous boards of trustees have considered a priority.

THE TOWNSHIP'S FUNDS

The Township's major funds for 2018 include the General, Police, Fire & EMS, UCB Tax Increment Financing, UCB TIF Debt Service and the State Route 747 TIF Funds.

The General Fund experienced an increase in fund balance of \$1.4 million. The Township has refrained from adding personnel while we absorbed the reductions in revenues from various legislative actions including the reduction of the local government fund, and elimination of tangible personal property tax and the estate tax.

The Police Fund experienced a \$0.1 million decrease in its fund balance carryover in 2018. Budget management and other interventions have been successful as the Police Fund has been the focus of attention over the last few years.

The Fire and Emergency Medical Services (EMS) Fund experienced a \$.7 million decrease in its fund balance carryover in 2018. A fire levy was last passed in May 2006, combining an existing 4.5-mill with a 1.5-mill increase for a new 6.0-mill continuing levy. West Chester Township seeks to supplement tax levy revenues and decrease its reliance on funding services with taxpayer dollars through other revenue sources, namely EMS billing. EMS billing is a "user" fee for ambulatory services, charged to a patient's insurance provider; however, revenues collected from EMS billing are minimal and will never fully fund fire protection and EMS services. It is anticipated that it will be years before a replacement fire levy is considered.

The Union Centre Boulevard (UCB) Tax Increment Financing (TIF) Fund experienced a \$6.9 million increase in its fund balance carryover. The increase is related to fewer capital improvements made in 2018 than in 2017. A significant, multi-year improvement to the Union Centre Boulevard Bridge over I-75 is scheduled to begin 2019.

The State Route 747 TIF Fund experienced a \$1.8 million decrease in fund balance carryover. Payments in lieu of taxes (PILOT) of approximately \$6.3 million were recognized by this fund during 2018 while payments to schools totaled \$2.1 million. Should commercial and residential growth of the Township continue to rebound and demand for services increase the potential to use these funds to build an additional fire station in the related TIF district remains an option.

The UCB TIF Debt Service Fund experienced a \$4.6 million decrease in its fund balance carryover. While receiving approximately \$2.1 million in PILOT revenues, the Township paid down related principal and interest from this fund of \$5.8 million and \$.9 million, respectively.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

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, UCB Tax Increment Financing and State Route 747 TIF funds. Other governmental funds with adopted budgets are presented with the combining statements and individual fund schedules.

During 2018, there were minor revisions to the General Fund budget. West Chester's budget practice is to estimate revenues conservatively and expenses near capacity. Actual revenues were 36 percent greater than the final budget, most significantly due to property and other taxes as well intergovernmental receipts exceeding the conservative projection. Actual expenditures plus encumbrances were 24 percent below final budget. These variances are consistent with the Township's budget strategy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 – NET CAPITAL ASSETS
(in millions)

	2018	2017
Land and Land Use Rights	\$ 24.2	\$ 24.2
Land Improvements	4.4	4.8
Construction in Progress	1.1	0.1
Buildings and Improvements	34.5	35.8
Infrastructure	47.5	47.5
Machinery and Equipment	3.6	4.8
Totals	\$ 115.3	\$ 117.2

During 2018, net capital assets decreased by \$1.9 million. Capital assets added in 2018 totaled \$3.9 million. In general, additions were slightly outpaced by depreciation expense. Depreciation expense for 2018 was \$5.8 million. Additional information regarding capital assets can be found in the Notes to the Basic Financial Statements.

More detailed information about the Township's capital assets is contained in the *Notes to the Basic Financial Statements*, in Note 6.

West Chester Township
Butler County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2018

Debt

At December 31, 2018, West Chester Township had \$20.5 million in un-voted general obligation bonds. The Township paid \$12.1 million in principal on general obligation bonds during 2018.

The Township's overall legal debt margin was \$214.2 million on December 31, 2018. Long-term debt and other obligations are discussed in more detail in the Notes to the Basic Financial Statements.

More detailed information about the Township's debt is contained in the *Notes to the Basic Financial Statements*, in Note 8.

FINANCIAL POSITION

In the previous two decades, West Chester Township experienced tremendous population and business growth. This growth, paired with conservative budgeting practices, has benefited the Township's financial position. West Chester continues to seek opportunities to improve the quality of the service provided to citizens while remaining responsible stewards of taxpayer dollars. Considering the stable condition of the General Fund, the police levy approval as of November 2011, the 2006 Fire and Emergency Medical Service tax levy and the continued growth of revenue from the various Tax Increment Financing Districts, the Township's overall financial position is strong. West Chester Township, however, has deliberately focused on evaluating its operations and reducing costs to ensure that future reductions in revenues can be absorbed without impacting the community's sustainability or its reputation as a community where "families grow and businesses prosper."TM

CONTACTING THE TOWNSHIP'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Township's finances and the Township's accountability for the money it receives. Questions about this report or additional financial information may be submitted to: Kenneth Keim, CPA, CMA, Director of Finance and Information Technology, West Chester Township, 9113 Cincinnati-Dayton Road, West Chester, Ohio 45069.

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West Chester Township
Butler County, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 122,744,172
Receivables (net of allowance for doubtful accounts):	
Taxes	25,987,073
Payments in Lieu of Taxes	16,162,326
Accounts	708,938
Interest	74,715
Intergovernmental	2,325,054
Special Assessments	2,341,090
Prepaid Items	2,066,672
Nondepreciable Capital Assets	25,289,725
Depreciable Capital Assets	90,018,597
	287,718,362
 Deferred Outflows of Resources:	
Deferred Charge on Refunding	764,879
Pension	7,018,358
OPEB	2,421,387
	10,204,624
 Liabilities:	
Accounts Payable	2,675,229
Contracts Payable	81,517
Accrued Wages and Benefits	880,204
Intergovernmental Payable	1,049,636
Accrued Interest Payable	78,158
Long-Term Liabilities:	
Due Within One Year	4,784,702
Due in More than One Year:	
Net Pension Liability	33,716,512
Net OPEB Liability	27,090,885
Other Amounts Due in More than One Year	22,749,975
	93,106,818
 Deferred Inflows of Resources:	
Revenues Levied for the Next Year	41,404,543
Pension	5,319,095
OPEB	1,824,933
	48,548,571
 Net Position:	
Net Investment in Capital Assets	92,614,448
Restricted:	
Nonexpendable Permanent Fund Principal	5,000
Police	261,074
Fire & EMS	487,778
Tax Increment Financing Districts	71,251,641
Public Works	3,146,110
Unrestricted	(11,498,454)
	156,267,597
Total Net Position	\$ 156,267,597

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Statement of Activities
For the Year Ended December 31, 2018

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental Activities:					
General Government	(3,955,252)	434,932	10,160	-	\$ (3,510,160)
Public Safety					
Police	(15,748,341)	834,098	58,334	-	(14,855,909)
Fire and Emergency Medical Services	(15,310,523)	1,119,932	3,284	-	(14,187,307)
Public Works	(9,124,430)	15,338	523,101	-	(8,585,991)
Cemetery	(273,427)	56,861	-	-	(216,566)
Parks and Recreation	(891,292)	101,591	-	-	(789,701)
Planning and Zoning	(784,907)	-	-	-	(784,907)
Economic Development	(59,150)	-	36,500	-	(22,650)
Community Television	(631,924)	570,697	-	-	(61,227)
Payments to Schools	(4,236,762)	-	-	-	(4,236,762)
Interest and Fiscal Charges	(1,313,731)	-	-	-	(1,313,731)
Totals	<u>\$ (52,329,739)</u>	<u>\$ 3,133,449</u>	<u>\$ 631,379</u>	<u>\$ -</u>	<u>(48,564,911)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	1,435,670
Public Works	1,955,984
Public Safety - Police	11,724,918
Public Safety - Fire	10,049,930
Payments in Lieu of Taxes	20,850,502
Permissive Taxes	1,241,829
Grants and Contributions not restricted to specific programs	5,696,822
Unrestricted investment earnings	2,224,045
Total General Revenues	<u>55,179,700</u>
Change in Net Position	6,614,789
Net Position-Beginning of Year, Restated	149,652,808
Net Position-End of Year	<u>\$ 156,267,597</u>

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General	Police	Fire & EMS	UCB Tax Increment Financing	State Route 747 TIF	UCB TIF Debt Service	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 19,675,294	\$ 11,733,169	\$ 14,033,860	\$ 35,513,327	\$ 27,294,265	\$ 2,803,942	\$ 11,690,315	\$ 122,744,172
Receivables:								
Taxes	1,573,858	12,323,204	10,562,748	-	-	-	1,527,263	25,987,073
Accounts	202,208	131,982	371,499	-	-	-	3,249	708,938
Due From Other Governments	654,745	726,864	606,144	-	-	-	337,301	2,325,054
Interest	73,533	-	-	-	-	-	1,182	74,715
Special Assessments	-	-	-	-	-	-	2,341,090	2,341,090
Prepaid Items	158,460	442,376	1,429,542	-	-	-	36,294	2,066,672
Payment in Lieu of Taxes Receivable	-	-	-	4,612,209	1,395,834	6,615,256	3,539,027	16,162,326
Total Assets	\$ 22,338,098	\$ 25,357,595	\$ 27,003,793	\$ 40,125,536	\$ 28,690,099	\$ 9,419,198	\$ 19,475,721	\$ 172,410,040
Liabilities								
Accounts Payable	\$ 116,821	\$ 362,879	\$ 592,047	\$ 490,428	\$ 944,388	\$ -	\$ 168,666	\$ 2,675,229
Contracts Payable	42,098	18,480	15,955	-	-	-	4,984	81,517
Accrued Wages and Benefits	88,880	369,745	367,215	-	-	-	54,364	880,204
Matured Compensated Absences Payable	13,075	38,523	93,392	-	-	-	8,173	153,163
Intergovernmental Payable	73,241	443,263	402,805	81,861	-	-	48,466	1,049,636
Total Liabilities	334,115	1,232,890	1,471,414	572,289	944,388	-	284,653	4,839,749
Deferred Inflows of Resources								
Unavailable Revenue - Property Taxes	1,505,716	12,323,204	10,562,748	-	-	-	1,486,896	25,878,564
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	2,341,090	2,341,090
Unavailable Revenue - Intergovernmental	473,419	720,251	604,984	-	-	-	290,755	2,089,409
Unavailable Revenue - Interest and Other	279,502	-	279,859	-	-	-	3,837	563,198
Unavailable Revenue - Payments in Lieu of Taxes	-	-	-	4,612,209	1,395,834	6,615,256	3,539,027	16,162,326
Total Deferred Inflows of Resources	2,258,637	13,043,455	11,447,591	4,612,209	1,395,834	6,615,256	7,661,605	47,034,587
Fund Balances								
Nonspendable:								
Permanent Fund Principal	-	-	-	-	-	-	5,000	5,000
Prepaid Items	158,460	442,376	1,429,542	-	-	-	36,294	2,066,672
Restricted for:								
Cemetery Operation	-	-	-	-	-	-	315,542	315,542
Economic Development	-	-	-	-	-	-	86,204	86,204
Tax Increment Financing Districts	-	-	-	34,941,038	26,349,877	2,803,942	7,156,784	71,251,641
Public safety- Police Protection Services	-	10,638,874	-	-	-	-	804,308	11,443,182
Public safety- Fire & EMS Safety Services	-	-	12,655,246	-	-	-	-	12,655,246
Public works- Landscaping	-	-	-	-	-	-	349,165	349,165
Public works- Lighting	-	-	-	-	-	-	435,922	435,922
Public works- Road and Bridge Maintenance	-	-	-	-	-	-	847,687	847,687
Public works- State Highway Maintenance	-	-	-	-	-	-	509,281	509,281
Public works- Township Road Repair and Maintenance	-	-	-	-	-	-	983,276	983,276
Committed to:								
Public Works- Community paths	177,012	-	-	-	-	-	-	177,012
Community Television	1,223,330	-	-	-	-	-	-	1,223,330
Capital Projects	7,889,625	-	-	-	-	-	-	7,889,625
Assigned to:								
Purchases	120,510	-	-	-	-	-	-	120,510
Unassigned:	10,176,409	-	-	-	-	-	-	10,176,409
Total Fund Balances	19,745,346	11,081,250	14,084,788	34,941,038	26,349,877	2,803,942	11,529,463	120,535,704
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,338,098	\$ 25,357,595	\$ 27,003,793	\$ 40,125,536	\$ 28,690,099	\$ 9,419,198	\$ 19,475,721	\$ 172,410,040

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018

Total Governmental Fund Balances \$ 120,535,704

Amounts reported for governmental activities in the statement of net position 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 and Land use rights	24,239,302	
Infrastructure	102,204,530	
Other capital assets	76,909,800	
Accumulated depreciation	<u>(88,045,310)</u>	
Total capital assets		115,308,322

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 inflows in the funds:

Property and Other Taxes	640,889	
Special Assessments	2,341,090	
Due From Other Governments	2,074,973	
Accounts Receivable	498,377	
Interest Revenue	<u>74,715</u>	
		5,630,044

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	(78,158)	
Premium on bonds	(2,973,753)	
Advanced Refunding Charges	764,879	
Bonds	(20,485,000)	
Compensated absences	<u>(3,922,761)</u>	
Total liabilities		<u>(26,694,793)</u>

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	7,018,358	
Deferred Outflows - OPEB	2,421,387	
Deferred Inflows - Pension	(5,319,095)	
Deferred Inflows - OPEB	(1,824,933)	
Net Pension Liability	(33,716,512)	
Net OPEB Liability	<u>(27,090,885)</u>	
		<u>(58,511,680)</u>

Net Position of Governmental Activities \$ 156,267,597

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Police	Fire & EMS	UCB Tax Increment Financing	State Route 747 TIF	UCB TIF Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues								
Property and Other Taxes	\$ 2,695,209	\$ 11,745,281	\$ 10,067,384	\$ -	\$ -	\$ -	\$ 1,956,312	\$ 26,464,186
Charges for Services	105,463	627,834	1,036,848	-	-	-	69,891	1,840,036
Licenses and Permits	941,071	-	-	-	-	-	3,960	945,031
Fines and Forfeitures	39,000	655	-	-	-	-	160,590	200,245
Intergovernmental	2,464,359	1,403,369	1,171,478	-	-	-	638,388	5,677,594
Special Assessments	8,243	-	-	-	-	-	751,540	759,783
Interest	2,176,207	-	-	-	-	-	31,808	2,208,015
Payments in Lieu of Taxes	-	-	-	8,313,872	6,264,794	2,088,210	4,183,626	20,850,502
Contributions and Donations	1,917	4,217	-	-	-	-	36,500	42,634
Other	21,686	63,286	21,547	-	-	-	35,577	142,096
Total Revenues	8,453,155	13,844,642	12,297,257	8,313,872	6,264,794	2,088,210	7,868,192	59,130,122
Expenditures								
Current:								
General Government	2,969,273	-	-	-	-	-	-	2,969,273
Public Safety								
Police	-	13,476,977	-	-	-	-	26,353	13,503,330
Fire & EMS	-	-	12,171,765	-	-	-	-	12,171,765
Public Works	17,922	-	-	-	-	-	2,777,978	2,795,900
Cemetery	-	-	-	-	-	-	235,539	235,539
Parks and Recreation	362,025	-	-	-	-	-	-	362,025
Planning and Zoning	717,667	-	-	-	-	-	-	717,667
Economic Development	32,452	-	-	-	-	-	21,355	53,807
Community Television	459,732	-	-	-	-	-	-	459,732
Payments to Schools	-	-	-	-	2,077,719	-	2,159,043	4,236,762
Capital Outlay	462,329	418,558	617,180	1,390,661	2,768,013	-	2,019,737	7,676,478
Debt Service								
Principal Retirement	236,218	-	221,661	-	3,221,843	5,804,404	2,605,874	12,090,000
Interest and Fiscal Charges	59,285	-	31,135	-	-	928,377	367,555	1,386,352
Total Expenditures	5,316,903	13,895,535	13,041,741	1,390,661	8,067,575	6,732,781	10,213,434	58,658,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,136,252	(50,893)	(744,484)	6,923,211	(1,802,781)	(4,644,571)	(2,345,242)	471,492
Other Financing Sources (Uses)								
Proceeds from Sale of Capital Assets	6,520	1,750	8,100	-	-	-	570	16,940
Transfers In	-	-	-	-	-	-	1,750,000	1,750,000
Transfers Out	(1,750,000)	-	-	-	-	-	-	(1,750,000)
Total Other Financing Sources (Uses)	(1,743,480)	1,750	8,100	-	-	-	1,750,570	16,940
Net Change in Fund Balances	1,392,772	(49,143)	(736,384)	6,923,211	(1,802,781)	(4,644,571)	(594,672)	488,432
Fund Balances at Beginning of Year	18,352,574	11,130,393	14,821,172	28,017,827	28,152,658	7,448,513	12,124,135	120,047,272
Fund Balances at End of Year	\$ 19,745,346	\$ 11,081,250	\$ 14,084,788	\$ 34,941,038	\$ 26,349,877	\$ 2,803,942	\$ 11,529,463	\$ 120,535,704

See accompanying notes to the basic financial statements

West Chester Township
Butler County, Ohio
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 488,432
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, Net of Disposals	3,891,782	
Current Year Depreciation	<u>(5,774,634)</u>	(1,882,852)
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 inflows in the governmental funds.		
Property Taxes	(55,855)	
Due From Other Governments	(228,439)	
Special Assessments	46,149	
Accounts Receivable	36,521	
Interest Revenue	<u>16,030</u>	(185,594)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond Principal Retirement		12,090,000
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
		37,371
Governmental Funds report premiums and advanced refunding charges as expenditures and revenues, whereas these amounts are capitalized and amortized in the statement of activities.		
Amortization of Advanced Refunding Charges		(455,859)
Amortization of Bond Premiums		491,109
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.		
		(207,953)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		3,429,611
OPEB		30,645
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
Pension		(5,103,038)
OPEB		<u>(2,117,083)</u>
Change in Net Position of Governmental Activities		<u>\$ 6,614,789</u>

See accompanying notes to the basic financial statements

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West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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 organization. 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. WCDC provides services exclusively to the Township. WCDC’s 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 a majority of all the WCDC members.

The WCDC is classified as a blended component unit of the Township since WCDC provides services exclusively to the Township. The WCDC’s only fund is presented on the fund 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. Additionally, as a legally separate non-profit organization, WCDC does not have a legally adopted annual budget.

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, 2018

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 position 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 position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government and its component unit. The effect of interfund activity has been removed from these statements; however, any effects from interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position 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, liabilities and deferred inflows 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, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

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

Union Centre Boulevard (UCB) Tax Increment Financing (TIF) Fund The Union Centre Boulevard Tax Increment Financing Fund accounts for payments in lieu of taxes restricted for use to pay for activity associated with the Union Centre Boulevard TIF district.

State Route 747 Tax Increment Financing (TIF) Fund The State Route 747 Tax Increment Financing Fund accounts for payments in lieu of taxes restricted for use to pay for activity associated with properties located in the State Route 747 TIF district.

Union Centre Boulevard (UCB) Tax Increment Financing (TIF) Debt Service Fund The Union Centre Boulevard Tax Increment Financing Debt Service Fund accounts for financed debt service related to Union Centre Boulevard general obligation bonded debt.

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

C. Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the *economic resources measurement focus*. All assets, liabilities and deferred inflows and outflows associated with the operation of the Township are included on the Statement of Net Position. 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, current liabilities and deferred inflows and outflows 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, 2018

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. Revenues from payments in lieu of taxes are recognized in the same manner as property taxes. Revenue from 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.

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

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

E. Cash and Cash Equivalents

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, 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 position but are not reported in the fund financial statements.

Most capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. All donated capital assets are recorded at acquisition value. Capital assets received in a service concession arrangement are recorded at acquisition value. 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.

All reported capital assets are depreciated except for land, land use rights 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 and amortization are 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
Software	3 years

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 position.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

J. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Note 2 - Summary of Significant Accounting Policies (continued)

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Township, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Township, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Township unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

L. Fund Balance

In the fund financial statements, governmental funds report amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form - long-term receivables and prepaid items; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal actions (ordinances) of the Township Trustees (the government's highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Township Trustees remove the specified use by taking the same type of action (the adoption of another ordinance) imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the Township's "intent" to be used for specific purposes, but are neither restricted nor committed. The Township Trustees have by resolution authorized the Township Administrator and Finance Director to assign fund balance amounts to be used for specific purposes. The Township Trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

The Township had the following outstanding encumbrances as of December 31, 2018:

Fund	Amount
General Fund	\$ 441,300
Police Fund	627,966
Fire & EMS Fund	720,005
UCB Tax Increment Financing Fund	3,380,762
State Route 747 Tax Increment Financing Fund	4,217,144
Other Governmental Funds	406,123
Total	\$ 9,793,300

Note 2 - Summary of Significant Accounting Policies (continued)

M. Net Position

Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, increased by any deferred outflows of resources attributable to capital asset acquisition, construction or improvements and reduced by the outstanding balances of any borrowing used or deferred inflows of resources attributable for the acquisition, construction or improvement of those assets. Net position is 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 position is available.

N. 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.” These amounts are eliminated in the governmental activities columns of the statement of net position.

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.

O. 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.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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.

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, 2018

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.

The Township follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. GASB Statement No. 40 creates disclosure requirements for deposits and investments related to credit risk, interest rate risk and foreign currency risk.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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, 2018, the Township's net cost exceeded the fair value of its investments by \$581,690. The Township's recurring fair value measurement of its investment in U.S. Government Notes was valued using pricing sources as provided by investment managers (Level 2 inputs). The Township's investment in money market funds is excluded from fair value measurement requirements under GASB Statement No. 72, and instead is reported at amortized cost.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 3 - Deposits and Investments (continued)

As of December 31, 2018, the Township had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities				
		6 months or less	7 months to 12 months	12 months to 18 months	18 months to 24 months	Greater than 24 months
Money Market Funds	\$ 1,931,539	\$1,931,539	\$ -	\$ -	\$ -	\$ -
FAMC Notes	16,884,020	-	-	5,941,200	2,948,880	7,993,940
FHLB Notes	30,751,600	4,965,650	4,939,550	-	3,032,670	17,813,730
FHLMC Notes	10,877,790	-	-	-	-	10,877,790
FNMA Notes	11,751,350	-	3,967,800	2,956,110	-	4,827,440
	<u>\$72,196,299</u>	<u>\$6,897,189</u>	<u>\$ 8,907,350</u>	<u>\$ 8,897,310</u>	<u>\$ 5,981,550</u>	<u>\$41,512,900</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 Money Market Funds, FFCB, FHLB, FHLMC, and FNMA coupon notes were rated AA+ 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 that may be invested in any one issuer. Of the Township's total investments, 2.67% are Money Market Funds, 23.39% in FAMC Notes, 42.59% are FHLB Notes, 15.07% are FHLMC Notes and 16.28% are FNMA Notes.

Credit Risk Policy: The Township's funds are invested in accordance with State statute and the Township's investment policy. This policy addresses the acceptable types of investments, proper diversification, maturity, qualified institutions to invest in and overall investment objectives.

Reconciliation of Cash, Cash Equivalents and Investments

The following is a reconciliation of cash and investments to the Statement of Net Position as of December 31, 2018.

Investments (summarized above)	\$ 72,196,299
Carrying amount of the Township's Deposits	<u>50,547,873</u>
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$ 122,744,172</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 - Receivables

Receivables at December 31, 2018, 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 \$292,562. 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 and public utility property located in the Township. Property tax revenue received during 2018 for real and public utility property taxes represents collections of the 2017 taxes.

Real property taxes for 2018 are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes for 2018 are collected in and intended to finance 2019.

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. Public utility property taxes for 2018 became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2018, was \$13.5363 per \$1,000 of assessed value. The assessed values of real and public utility personal property upon which 2018 property tax receipts were based are as follows:

Real Property – Residential, Agricultural and Other	\$1,956,860,030
Public Utility	<u>83,416,830</u>
Total Valuation	<u>\$2,040,276,860</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.

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 personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018 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 2018 operations. The receivable is therefore offset by a deferred inflow in the governmental fund financial statements presented on a modified accrual basis.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 – Receivables (continued)

B. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Fines Fees and Forfeitures	\$ 29,237
Gasoline and Excise Tax	194,049
Homestead and Rollback	1,485,269
Joint Economic Development District	99,859
Local Government Revenue Assistance	461,134
Motor Vehicle License Tax	55,506
Total	\$2,325,054

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 2018, 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 and 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. As of December 31, 2018, coverage provided by OTARMA is as follows:

Legal Liability	\$ 10,000,000	Per Occurrence
Automobile Liability	\$ 10,000,000	Per Occurrence
Law Enforcement Operations Coverage	\$ 10,000,000	Per Occurrence
Wrongful Acts Coverage	\$ 10,000,000	Per Occurrence
Property Coverage (Real Property)	\$ 54,417,615	
Property Coverage (Personal Property)	\$ 2,239,436	
Boiler and Machinery Coverage	\$ 54,417,615	Limit

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

The Township has elected to provide employee medical/surgical benefits through Anthem. Employees share a percentage of the cost of the monthly premium with the Township. The premiums vary with the employee, depending upon type of coverage selected (single, family). The Township also provides dental insurance to all employees through Dental Care Plus. The employees share a percentage of the cost of the monthly premium with the Township. The Township, through a third-party provider, pays for the life insurance premiums for employees at an amount determined by employee classification.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2018</u>
Governmental Activities				
Capital Assets, not Being Depreciated				
Land and Land Use Rights	\$ 24,239,302	\$ -	\$ -	\$ 24,239,302
Construction in Progress	77,535	1,050,423	(77,535)	1,050,423
Total Capital Assets, not Being Depreciated	<u>24,316,837</u>	<u>1,050,423</u>	<u>(77,535)</u>	<u>25,289,725</u>
Capital Assets, Being Depreciated				
Land Improvements	9,289,430	41,431	-	9,330,861
Buildings and Improvements	49,573,363	38,028	-	49,611,391
Infrastructure	100,268,302	933,302	(1,086,172)	100,115,432
Machinery and Equipment	16,186,699	1,936,228	-	18,122,927
Software	883,296	-	-	883,296
Total Capital Assets, Being Depreciated	<u>176,201,090</u>	<u>2,948,989</u>	<u>(1,086,172)</u>	<u>178,063,907</u>
Less Accumulated Depreciation				
Land Improvements	4,514,556	413,351	-	4,927,907
Buildings and Improvements	13,740,320	1,327,141	-	15,067,461
Infrastructure	52,788,111	887,546	(1,056,077)	52,619,580
Machinery and Equipment	11,427,228	3,133,030	-	14,560,258
Software	856,538	13,566	-	870,104
Total Accumulated Depreciation	<u>83,326,753</u>	<u>5,774,634</u>	<u>(1,056,077)</u>	<u>88,045,310</u>
Total Capital Assets, Being Depreciated, Net	<u>92,874,337</u>	<u>(2,825,645)</u>	<u>(30,095)</u>	<u>90,018,597</u>
Governmental Activities Capital Assets, Net	<u>\$ 117,191,174</u>	<u>\$(1,775,222)</u>	<u>\$ (107,630)</u>	<u>\$ 115,308,322</u>

Depreciation and amortization expense were charged to governmental functions as follows:

General Government	\$ 660,632
Public Safety	
Police	701,010
Fire and Emergency Medical Services	656,236
Economic Development	1,293
Public Works	3,225,519
Cemetery	16,345
Park and Recreation	489,754
Community Television	23,845
Total Depreciation Expense	<u>\$5,774,634</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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, 2018

Note 8 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the Township during 2018 follows:

Governmental Activities	(Restated)			Amount Outstanding 12/31/2018	Amounts Due in One Year
	Amount Outstanding 1/1/2018	Additions	Deletions		
Unvoted General Obligation Bonds					
2002 – 2.15% - 5.75%					
Various Purpose Bonds	\$ 2,840,000	\$ -	\$ (895,000)	\$ 1,945,000	\$ 945,000
2009 Various Purpose TIF G.O. Bonds					
Various Purpose Bonds	4,135,000	-	(4,135,000)	-	-
2010– 2.00% - 4.25%					
Various Purpose Refunding Bonds	3,995,000	-	(3,995,000)	-	-
2012– 2.00% - 3.00%					
Various Purpose Refunding 2003 Bonds	4,050,000	-	(900,000)	3,150,000	920,000
2016– 2.00% - 5.00%					
Various Purpose Refunding Bonds	15,915,000	-	(2,015,000)	13,900,000	2,100,000
2016– 2.00% - 5.00%					
Various Purpose G.O. Bonds	1,640,000	-	(150,000)	1,490,000	155,000
Other Long Term Obligations					
Premium Bonds	3,464,862	-	(491,109)	2,973,753	-
Compensated Absences	3,858,559	827,887	(610,522)	4,075,924	664,702
Net Pension Liability:					
OPERS	23,598,554	-	(7,814,668)	15,783,886	-
OP&F	19,405,193	-	(1,472,567)	17,932,626	-
Total Net Pension Liability	43,003,747	-	(9,287,235)	33,716,512	-
Net OPEB Liability:					
OPERS	10,032,368	503,804	-	10,536,172	-
OP&F	14,542,713	2,012,000	-	16,554,713	-
Total Net OPEB Liability	24,575,081	2,515,804	-	27,090,885	-
Total Governmental Activities	\$107,477,249	\$3,343,691	\$(22,478,866)	\$ 88,342,074	\$4,784,702

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

The 2009 Various Purpose Limited Tax General Obligation Bonds were a general obligation supported by the full faith and credit of the Township. The Township called and retired the balance of these bonds in 2018.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Long-Term Obligations (continued)

The 2010 Various Purpose Limited Tax General Obligation Bonds were a general obligation supported by the full faith and credit of the Township. The Township called and retired the balance of these bonds in 2018.

The 2012 Various Purpose Refunding 2003 Bonds are general obligations supported by the full faith and credit of the Township. These bonds will be retired from the Union Centre Boulevard Tax Increment Financing and the 747 Tax Increment Financing Debt Service Funds using revenue generated from the Union Centre Boulevard and 747 Tax Increment Financing Districts.

The 2016 Various Purpose Refunding Bonds are general obligations supported by the full faith and credit of the Township. These bonds will be retired from the Union Centre Boulevard Tax Increment Financing and the 747 Tax Increment Financing Debt Service Funds using revenue generated from the Union Centre Boulevard and 747 Tax Increment Financing Districts.

The 2016 Various Purpose General Obligation Bonds are a general obligation supported by the full faith and credit of the Township. The Township anticipates that it will make debt service payments from special assessments collected from property owners.

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

The Township's overall legal debt margin was approximately \$214 million at December 31, 2018.

Principal and interest requirements to retire the long-term debt obligations at December 31, 2018, are as follows:

2002 Various Purpose General Obligation Bonds			
Years	Principal	Interest	Total
2019	945,000	111,838	1,056,838
2020	1,000,000	57,500	1,057,500
	<u>\$ 1,945,000</u>	<u>\$ 169,338</u>	<u>\$ 2,114,338</u>

2012 Various Purpose Refunding 2003 Bonds			
Years	Principal	Interest	Total
2019	920,000	80,604	1,000,604
2020	350,000	53,004	403,004
2021	360,000	42,504	402,504
2022	365,000	35,304	400,304
2023	375,000	27,456	402,456
2024-2025	780,000	28,894	808,894
	<u>\$ 3,150,000</u>	<u>\$ 267,765</u>	<u>\$ 3,417,765</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Long-Term Obligations (continued)

2016 Various Purpose Refunding Bonds			
Years	Principal	Interest	Total
2019	2,100,000	673,150	2,773,150
2020	2,195,000	568,150	2,763,150
2021	2,310,000	458,400	2,768,400
2022	925,000	342,900	1,267,900
2023	970,000	296,650	1,266,650
2024-2028	5,400,000	742,550	6,142,550
	\$ 13,900,000	\$ 3,081,800	\$ 16,981,800

2016 Various Purpose General Obligation Bonds			
Years	Principal	Interest	Total
2019	155,000	72,300	227,300
2020	165,000	64,550	229,550
2021	170,000	56,300	226,300
2022	180,000	47,800	227,800
2023	190,000	38,800	228,800
2024-2026	630,000	57,400	687,400
	\$ 1,490,000	\$ 337,150	\$ 1,827,150

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Township’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Township’s obligation for this liability to annually required payments. The Township cannot control benefit terms or the manner in which pensions are financed; however, the Township does receive the benefit of employees’ services in exchange for compensation including pension.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2018 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits	0.0%	0.0%	0.0%
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$2,000,958 for 2018. Of this amount, \$166,747 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - Township's full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
 Total Employer	 19.50%	 24.00%
 Employee	 12.25%	 12.25%

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$1,428,653 for 2018. Of this amount \$119,054 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The Township's proportion of the net pension liability was based on the Township's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 15,783,886	\$ 17,932,626	\$ 33,716,512
Proportion of the Net Pension Liability			
Current Measurement Date	0.100611%	0.292184%	
Prior Measurement Date	0.103920%	0.306370%	
Change in Proportionate Share	-0.003309%	-0.014186%	
Pension Expense	\$ 2,921,664	\$ 2,181,374	\$ 5,103,038

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in employer proportion and differences between contributions and proportionate share of contributions	\$ 74,104	\$ 558,480	\$ 632,584
Differences between expected and actual experience	16,119	272,344	288,463
Change in Assumptions	1,886,280	781,420	2,667,700
Entity contributions subsequent to the measurement date	2,000,958	1,428,653	3,429,611
Total Deferred Outflows of Resources	\$ 3,977,461	\$ 3,040,897	\$ 7,018,358

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 3,388,592	\$ 569,777	\$ 3,958,369
Differences between expected and actual experience	311,051	34,200	345,251
Changes in employer proportion and differences between contributions and proportionate share of contributions	189,608	825,867	1,015,475
	<u>\$ 3,889,251</u>	<u>\$ 1,429,844</u>	<u>\$ 5,319,095</u>

The Township reported \$3,429,611 as deferred outflows of resources related to pension resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$ 1,375,504	\$ 491,163	\$ 1,866,667
2020	(403,677)	330,629	(73,048)
2021	(1,492,156)	(346,709)	(1,838,865)
2022	(1,392,419)	(360,812)	(1,753,231)
2023	-	54,627	54,627
Thereafter	-	13,502	13,502
Total	<u>\$ (1,912,748)</u>	<u>\$ 182,400</u>	<u>\$ (1,730,348)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

West Chester Township
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Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

Measurement and Valuation Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.5 percent
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (including wage inflation at 3.25%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3% simple Post-1/7/2013 Retirees: 3% simple through 2018, then 2.15% simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other investments	18.00%	5.26%
Total	100.00%	5.66%

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Discount Rate The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Township's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Entity's proportionate share of the net pension liability	\$ 28,028,212	\$ 15,783,886	\$ 5,575,862

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions:	
Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00%
Cost of Living Increases (COLA)	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

Healthy Mortality – Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Disabled Mortality – Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income *	20.00%	2.37%
Global Inflation Protected Securities *	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Real Assets	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%

Note: Assumptions are geometric

* levered 2X

West Chester Township
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Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plans (continued)

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Entity's proportionate share of the net pension liability	\$ 24,859,357	\$ 17,932,626	\$ 12,283,289

Note 10 – Defined Benefit OPEB Plans

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Township's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Ohio Revised Code limits the Township’s obligation for this liability to annually required payments. The Township cannot control benefit terms or the manner in which OPEB are financed; however, the Township does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ CAFR referenced below for additional information.

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

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

The Township's contractually required contribution was \$0 for 2018. Of this amount, \$0 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contractually required contribution to OP&F was \$30,645 for 2018. Of this amount, \$2,554 is reported as an intergovernmental payable.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The Township's proportion of the net OPEB liability was based on the Township's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability:	\$ 10,536,172	\$ 16,554,713	\$ 27,090,885
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.097025%	0.292184%	
Prior Measurement Date	<u>0.099327%</u>	<u>0.306370%</u>	
Change in Proportionate Share	<u>-0.002302%</u>	<u>-0.014186%</u>	
 OPEB Expense	 \$ 911,447	 \$ 1,205,636	 \$ 2,117,083

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 8,208	\$ -	\$ 8,208
Change in Assumptions	767,145	1,615,389	2,382,534
Contributions subsequent to the measurement date	-	30,645	30,645
Total Deferred Outflows of Resources	<u>\$ 775,353</u>	<u>\$ 1,646,034</u>	<u>\$ 2,421,387</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 784,874	\$ 108,972	\$ 893,846
Differences between expected and actual experience	-	83,496	83,496
Changes in employer proportion and differences between contributions and proportionate share of contributions	260,076	587,515	847,591
	<u>\$ 1,044,950</u>	<u>\$ 779,983</u>	<u>\$ 1,824,933</u>

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

\$30,645 reported as deferred outflows of resources related to OPEB resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	50,137	110,824	160,961
2020	50,137	110,824	160,961
2021	(173,653)	110,824	(62,829)
2022	(196,218)	110,824	(85,394)
2023	-	138,067	138,067
Thereafter	-	254,043	254,043
Total	\$ (269,597)	\$ 835,406	\$ 565,809

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.85 percent
Prior Measurement Date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.50 percent, initial 3.25 percent, ultimate in 2018
Actuarial Cost Method	Individual Entry Age

West Chester Township
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Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
Real Estate Investment Trust	6.00%	5.91%
International Equities	22.00%	7.88%
Other investments	17.00%	5.39%
Total	<u>100.00%</u>	<u>4.98%</u>

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Sensitivity of the Township’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Township’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Township’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Entity's proportionate share of the net OPEB liability	\$ 13,997,797	\$ 10,536,172	\$ 7,735,803

Sensitivity of the Township’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Entity's proportionate share of the net OPEB liability	\$ 10,080,898	\$ 10,536,172	\$ 11,006,516

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increases rate of 0.5 percent
Single Discount Rate:	
Current Measurement Date	3.24 percent
Prior Measurement Date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2017, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income *	20.00%	2.37%
Global Inflation Protected Securities *	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Timber	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%
 Total	 <u>120.00%</u>	

Note: Assumptions are geometric.

* levered 2X

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
Entity's proportionate share of the net OPEB liability	\$ 20,693,620	\$ 16,554,713	\$ 13,370,047

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Defined Benefit OPEB Plans (continued)

Sensitivity of the Township’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	RX Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Discount Rates	1% Increase
Entity's proportionate share of the net OPEB liability	\$ 12,860,017	\$ 16,554,713	\$ 21,533,968

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the Township’s NOL is not known.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 11 – Interfund Activity

The Township made the following transfers during 2018:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$ -	\$ 1,750,000
Nonmajor Funds:		
Cemetery Fund	250,000	-
Road and Bridge Fund	1,500,000	-
Total	\$ 1,750,000	\$ 1,750,000

The General Fund transferred \$250,000 to the Cemetery Fund and \$1,500,000 to the Road and Bridge Fund for operating expenses not covered by fund revenue.

Note 12 – Accountability

The West Chester Development Council Fund did not have a legally adopted annual budget for 2018. However, under the modified accrual basis of accounting this fund did recognize activity for the year ended December 31, 2018.

Note 13 - 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 grantors or their representative. As of December 31, 2018, audits of certain programs have not been completed. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 14 – Tax Abatements

The Township has not directly entered into any tax abatement agreements with Township taxpayers. However, Butler County has entered into tax abatement agreements with certain Township taxpayers that resulted in the Township's property taxes being abated.

The Township's property taxes abated by Butler County were abated through the Ohio Enterprise Zone Program, which is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio.

Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values generally are not eligible.

Township property taxes abated by Butler County under the Ohio Enterprise Zone Program for the year ended December 31, 2018, were approximately \$600,000.

Note 15 – Change in Accounting Principle and Restatement of Net Position

For 2018, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Township's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement impacted the previously reported net position at December 31, 2017, as displayed in the table below. Other than employer contributions subsequent to the measurement date, the Township made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Additionally, the Township is restating the previously reported net position at December 31, 2017, as displayed in the table below, to account for pension-related (GASB 68) deferred inflows of resources and deferred outflows of resources that were incorrectly reported.

West Chester Township
Butler County, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 15 – Change in Accounting Principle and Restatement of Net Position (continued)

	Governmental Activities	
Net position December 31, 2017	\$ 171,716,014	
Adjustments:		
To Correct GASB 68 Deferred Items	2,344,787	
Net OPEB Liability (GASB 75)	(24,575,081)	
Deferred Outflow - Payments Subsequent to Measurement Date (GASB 75)	167,088	
Restated Net Position December 31, 2017	\$ 149,652,808	
OP&F Pension Fund:		
Previously Reported Deferred Outflows of Resources at December 31, 2017	2,044,463	
Previously Reported Deferred Inflows of Resources at December 31, 2017	(552,909)	
		1,491,554
OP&F Pension Fund:		
Actual Deferred Outflows of Resources at December 31, 2017	3,969,961	
Actual Deferred Inflows of Resources at December 31, 2017	(133,620)	
		3,836,341
<u>Net increase to net position at December 31, 2017</u>		<u>2,344,787</u>

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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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 2,225,095	\$ 2,225,095	\$ 2,701,483	\$ 476,388
Charges for Services	79,500	79,500	105,223	25,723
Licenses, Permits, and Fees	362,409	362,409	369,110	6,701
Fines and Forfeitures	52,500	52,500	51,288	(1,212)
Special Assessments	3,000	3,000	8,243	5,243
Intergovernmental	1,898,663	1,898,663	2,473,222	574,559
Contributions and Donations	-	-	1,917	1,917
Interest	120,000	120,000	707,857	587,857
Other	-	-	20,765	20,765
Total Revenue	4,741,167	4,741,167	6,439,108	1,697,941
Expenditures				
Current:				
General Government				
Administration				
Personal services	1,668,678	1,668,678	1,266,527	402,151
Other	1,462,982	1,544,802	1,198,562	346,240
	<u>3,131,660</u>	<u>3,213,480</u>	<u>2,465,089</u>	<u>748,391</u>
Services Department				
Personal Services	528,329	528,329	491,209	37,120
Other	63,071	58,897	37,148	21,749
	<u>591,400</u>	<u>587,226</u>	<u>528,357</u>	<u>58,869</u>
Senior Citizens				
Other	12,850	12,899	4,798	8,101
Total General Government	3,735,910	3,813,605	2,998,244	815,361
Public Works				
Street Lighting				
Other	20,000	20,000	17,922	2,078
Parks and Recreation				
Personal Services	340,916	340,916	170,753	170,163
Other	290,434	301,228	201,158	100,070
	<u>631,350</u>	<u>642,144</u>	<u>371,911</u>	<u>270,233</u>
Planning and Zoning				
Personal Services	720,305	720,305	647,045	73,260
Other	199,635	203,926	94,595	109,331
	<u>919,940</u>	<u>924,231</u>	<u>741,640</u>	<u>182,591</u>
Capital Outlay	622,300	720,201	504,435	215,766
Debt Service				
Principal Retirement				
Interest and Fiscal Charges	90,000	90,000	90,000	-
	<u>38,500</u>	<u>38,500</u>	<u>38,500</u>	<u>-</u>
Total Expenditures	6,058,000	6,248,681	4,762,652	1,486,029
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,316,833)</u>	<u>(1,507,514)</u>	<u>1,676,456</u>	<u>3,183,970</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets				
Transfers Out	-	-	6,520	6,520
	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	(1,750,000)	(1,750,000)	(1,743,480)	6,520
Net Change in Fund Balance	(3,066,833)	(3,257,514)	(67,024)	3,190,490
Fund Balance at Beginning of Year	9,809,109	9,809,109	9,809,109	-
Prior Year Encumbrances Appropriated	165,681	165,681	165,681	-
Fund Balance at End of Year	\$ 6,907,957	\$ 6,717,276	\$ 9,907,766	\$ 3,190,490

See Independent Auditor's Report and 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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 11,455,022	\$ 11,455,022	\$ 11,745,281	\$ 290,259
Charges for Services	355,308	355,308	504,329	149,021
Fines and Forfeitures	-	-	655	655
Intergovernmental	1,390,047	1,390,047	1,400,501	10,454
Contributions and Donations	-	-	4,217	4,217
Other	20,000	20,000	63,769	43,769
Total Revenue	<u>13,220,377</u>	<u>13,220,377</u>	<u>13,718,752</u>	<u>498,375</u>
Expenditures				
Current:				
Public Safety				
Police				
Personal Services	12,813,553	12,813,554	12,004,508	809,046
Other	2,672,618	2,775,862	1,556,618	1,219,244
	<u>15,486,171</u>	<u>15,589,416</u>	<u>13,561,126</u>	<u>2,028,290</u>
Capital Outlay	<u>725,500</u>	<u>1,247,650</u>	<u>1,011,970</u>	<u>235,680</u>
Total Expenditures	<u>16,211,671</u>	<u>16,837,066</u>	<u>14,573,096</u>	<u>2,263,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,991,294)</u>	<u>(3,616,689)</u>	<u>(854,344)</u>	<u>2,762,345</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	1,750	1,750
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>
Net Change in Fund Balance	(2,991,294)	(3,616,689)	(852,594)	2,764,095
Fund Balance at Beginning of Year	11,632,403	11,632,403	11,632,403	-
Prior Year Encumbrances Appropriated	<u>325,394</u>	<u>325,394</u>	<u>325,394</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,966,503</u>	<u>\$ 8,341,108</u>	<u>\$ 11,105,203</u>	<u>\$ 2,764,095</u>

See Independent Auditor's Report and 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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 9,818,590	\$ 9,818,590	\$ 10,067,384	\$ 248,794
Charges for Services	900,000	900,000	1,043,660	143,660
Intergovernmental	1,325,155	1,325,155	1,171,478	(153,677)
Other	29,349	29,349	19,642	(9,707)
Total Revenue	<u>12,073,094</u>	<u>12,073,094</u>	<u>12,302,164</u>	<u>229,070</u>
Expenditures				
Current:				
Public Safety				
Fire and EMS				
Personal Services	12,220,362	12,221,537	10,653,562	1,567,975
Other	2,310,977	1,951,283	1,480,463	470,820
	<u>14,531,339</u>	<u>14,172,820</u>	<u>12,134,025</u>	<u>2,038,795</u>
Capital Outlay	640,445	1,321,055	1,204,263	116,792
Debt Service				
Principal Retirement	101,652	221,661	221,661	-
Interest and Fiscal Charges	31,135	31,135	31,135	-
	<u>132,787</u>	<u>252,796</u>	<u>252,796</u>	<u>-</u>
Total Expenditures	<u>15,304,571</u>	<u>15,746,671</u>	<u>13,591,084</u>	<u>2,155,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,231,477)</u>	<u>(3,673,577)</u>	<u>(1,288,920)</u>	<u>2,384,657</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	8,100	8,100
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
Net Change in Fund Balance	(3,231,477)	(3,673,577)	(1,280,820)	2,392,757
Fund Balance at Beginning of Year	14,482,579	14,482,579	14,482,579	-
Prior Year Encumbrances Appropriated	<u>112,096</u>	<u>112,096</u>	<u>112,096</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 11,363,198</u>	<u>\$ 10,921,098</u>	<u>\$ 13,313,855</u>	<u>\$ 2,392,757</u>

See Independent Auditor's Report and 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
Union Centre Boulevard Tax Increment Financing Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Property Taxes	\$ 3,873,039	\$ 3,873,039	\$ 8,313,872	\$ 4,440,833
Total Revenue	<u>3,873,039</u>	<u>3,873,039</u>	<u>8,313,872</u>	<u>4,440,833</u>
Expenditures				
Capital Outlay	<u>28,684,174</u>	<u>31,904,242</u>	<u>4,212,510</u>	<u>27,691,732</u>
Total Expenditures	<u>28,684,174</u>	<u>31,904,242</u>	<u>4,212,510</u>	<u>27,691,732</u>
Net Change in Fund Balance	(24,811,135)	(28,031,203)	4,101,362	32,132,565
Fund Balance at Beginning of Year	24,811,135	24,811,135	24,811,135	-
Prior Year Encumbrances Appropriated	<u>3,220,068</u>	<u>3,220,068</u>	<u>3,220,068</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,220,068</u>	<u>\$ -</u>	<u>\$ 32,132,565</u>	<u>\$ 32,132,565</u>

See Independent Auditor's Report and 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 Financing Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Payments in Lieu of Property Taxes	\$ 4,765,152	\$ 4,765,152	\$ 6,264,794	\$ 1,499,642
Total Revenue	4,765,152	4,765,152	6,264,794	1,499,642
Expenditures				
Payments to Schools	-	2,090,000	2,077,719	12,281
Capital Outlay	32,876,112	27,636,345	6,071,148	21,565,197
Debt Service				
Principal Retirement	-	3,221,844	3,221,843	1
Total Expenditures	32,876,112	32,948,189	11,370,710	21,577,479
Net Change in Fund Balance	(28,110,960)	(28,183,037)	(5,105,916)	23,077,121
Fund Balance at Beginning of Year	28,110,961	28,110,961	28,110,961	-
Prior Year Encumbrances Appropriated	72,076	72,076	72,076	-
Fund Balance at End of Year	\$ 72,077	\$ -	\$ 23,077,121	\$ 23,077,121

See Independent Auditor's Report and accompanying notes to the required supplementary information

West Chester Township
 Required Supplementary Information
 Schedule of the Township's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Proportion of the Net Pension Liability	0.10061100%	0.10392039%	0.10358033%	0.10707100%	0.10707100%
Township's Proportionate Share of the Net Pension Liability	\$ 15,783,886	\$ 23,598,554	\$ 17,941,419	\$ 12,913,930	\$ 12,622,248
Township's Covered Payroll	\$ 11,421,139	\$ 11,641,472	\$ 11,769,195	\$ 11,773,393	\$ 12,087,593
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.20%	202.71%	152.44%	109.69%	104.42%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

See Independent Auditor's Report and accompanying notes to the required supplementary information

* This Schedule is intended to show information for 10 years. However, information prior to 2014 is not available.
 Additional years' information will be displayed as it becomes available.

Amounts presented as of the Township's measurement date which is the prior fiscal year end.

West Chester Township
 Required Supplementary Information
 Schedule of the Township's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Five Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Proportion of the Net Pension Liability	0.29218400%	0.30637039%	0.30801966%	0.28760400%	0.28760400%
Township's Proportionate Share of the Net Pension Liability	\$ 17,932,626	\$ 19,405,193	\$ 19,815,121	\$ 14,899,075	\$ 14,007,206
Township's Covered Payroll	\$ 5,765,611	\$ 5,947,452	\$ 5,819,597	\$ 5,688,783	\$ 5,335,895
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	311.03%	326.28%	340.49%	261.90%	262.51%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

See Independent Auditor's Report and accompanying notes to the required supplementary information

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 Additional years' information will be displayed as it becomes available.

Amounts presented as of the Township's measurement date which is the prior fiscal year end.

West Chester Township
Required Supplementary Information
Schedule of Township Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Six Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,000,958	\$ 1,795,377	\$ 1,596,664	\$ 1,625,581	\$ 1,662,983
Contributions in Relation to the Contractually Required Contribution	<u>(2,000,958)</u>	<u>(1,795,377)</u>	<u>(1,596,664)</u>	<u>(1,625,581)</u>	<u>(1,662,983)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 12,309,883	\$ 11,421,139	\$ 11,641,472	\$ 11,769,195	\$ 11,773,393
Contributions as a Percentage of Covered Payroll	16.25%	15.72%	13.72%	13.81%	14.12%
	<u>2013</u>				
Contractually Required Contribution	\$ 1,954,092				
Contributions in Relation to the Contractually Required Contribution	<u>(1,954,092)</u>				
Contribution Deficiency (Excess)	<u>\$ -</u>				
Township Covered Payroll	\$ 12,087,593				
Contributions as a Percentage of Covered Payroll	16.17%				

See Independent Auditor's Report and accompanying notes to the required supplementary information

* This Schedule is intended to show information for 10 years. However, information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

West Chester Township
Required Supplementary Information
Schedule of Township Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,428,653	\$ 1,353,923	\$ 1,332,623	\$ 1,348,841	\$ 1,300,884
Contributions in Relation to the Contractually Required Contribution	<u>(1,428,653)</u>	<u>(1,353,923)</u>	<u>(1,332,623)</u>	<u>(1,348,841)</u>	<u>(1,300,884)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 6,157,893	\$ 5,765,611	\$ 5,947,452	\$ 5,819,597	\$ 5,688,783
Contributions as a Percentage of Covered Payroll	23.20%	23.48%	22.41%	23.18%	22.87%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 1,138,808	\$ 869,317	\$ 884,493	\$ 868,543	\$ 763,855
Contributions in Relation to the Contractually Required Contribution	<u>(1,138,808)</u>	<u>(869,317)</u>	<u>(884,493)</u>	<u>(868,543)</u>	<u>(763,855)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 5,335,895	\$ 5,214,978	\$ 5,226,507	\$ 5,291,850	\$ 5,077,784
Contributions as a Percentage of Covered Payroll	21.34%	16.67%	16.92%	16.41%	15.04%

See Independent Auditor's Report and accompanying notes to the required supplementary information

West Chester Township
 Required Supplementary Information
 Schedule of the Township's Proportionate Share of the Net OPEB Liability
 Ohio Public Employees Retirement System - OPEB Plan
 Last Two Years *

	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.09702500%	0.09932700%
Township's Proportionate Share of the Net OPEB Liability	\$ 10,536,172	\$ 10,032,368
Township's Covered Payroll	\$ 11,421,139	\$ 11,641,472
Township's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	92.25%	86.18%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	54.14%	54.04%

See Independent Auditor's Report and accompanying notes to the required supplementary information

* This Schedule is intended to show information for 10 years. However, information prior to 2017 is not available. Additional years' information will be displayed as it becomes available.

Amounts presented as of the Township's measurement date which is the prior fiscal year end.

West Chester Township
 Required Supplementary Information
 Schedule of the Township's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund
 Last Two Years *

	2018	2017
Township's Proportion of the Net OPEB Liability	0.29218400%	0.30637000%
Township's Proportionate Share of the Net OPEB Liability	\$ 16,554,713	\$ 14,542,713
Township's Covered Payroll	\$ 5,765,611	\$ 5,947,452
Township's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	287.13%	244.52%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	14.13%	15.96%

See Independent Auditor's Report and accompanying notes to the required supplementary information

* This Schedule is intended to show information for 10 years. However, information prior to 2017 is not available. Additional years' information will be displayed as it becomes available.

Amounts presented as of the Township's measurement date which is the prior fiscal year end.

West Chester Township
 Required Supplementary Information
 Schedule of Township Contributions - OPEB
 Ohio Public Employees Retirement System
 Last Three Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ -	\$ 138,046	\$ 265,987
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>(138,046)</u>	<u>(265,987)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 12,309,883	\$ 11,421,139	\$ 11,641,472
Contributions as a Percentage of Covered Payroll	0.00%	1.21%	2.28%

See Independent Auditor's Report and accompanying notes to the required supplementary information

* This Schedule is intended to show information for 10 years. However, information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

West Chester Township
 Required Supplementary Information
 Schedule of Township Contributions - OPEB
 Ohio Police and Fire Pension Fund
 Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 30,645	\$ 29,042	\$ 28,585	\$ 28,326	\$ 28,000
Contributions in Relation to the Contractually Required Contribution	<u>(30,645)</u>	<u>(29,042)</u>	<u>(28,585)</u>	<u>(28,326)</u>	<u>(28,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 6,157,893	\$ 5,765,611	\$ 5,947,452	\$ 5,819,597	\$ 5,688,783
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.48%	0.49%	0.49%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 202,000	\$ 340,000	\$ 346,000	\$ 339,000	\$ 299,000
Contributions in Relation to the Contractually Required Contribution	<u>(202,000)</u>	<u>(340,000)</u>	<u>(346,000)</u>	<u>(339,000)</u>	<u>(299,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township Covered Payroll	\$ 5,335,895	\$ 5,214,978	\$ 5,226,507	\$ 5,291,850	\$ 5,077,784
Contributions as a Percentage of Covered Payroll	3.79%	6.52%	6.62%	6.41%	5.89%

See Independent Auditor's Report and accompanying notes to the required supplementary information

West Chester Township
Butler County, Ohio
Note To The Required Supplementary Information
For the Year Ended December 31, 2018

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. The Board passes appropriations at the fund and function and, when applicable, object 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 2018.

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
Note To The Required Supplementary Information
For the Year Ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

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 in the relevant spendable portion of fund balance 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 the General Fund and each major special revenue 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 constraint of fund balance (GAAP).

The West Chester Development Council does not have a legally adopted annual budget.

West Chester Township
Butler County, Ohio
Note To The Required Supplementary Information
For the Year Ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

The Township has identified three funds (Sustainable Infrastructure, West Chester Community Television and West Chester Community Connections Funds) that legally adopt separate budgets but for GAAP purposes as part of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, requirements are included as part of the General Fund. The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the General fund.

	General Fund	Sustainable Infrastructure Fund	West Chester Community Television Fund	West Chester Community Connections Fund	Total General Fund
GAAP Basis	\$ 199,943	\$ 1,468,350	\$ (275,521)	\$ -	\$ 1,392,772
Adjustments:					
Revenue Accruals	25,000	-	49,154	-	74,154
Expenditure Accruals	126,548	-	19,148	-	145,696
Encumbrances	(418,515)	-	(22,785)	-	(441,300)
Budget Basis	<u>\$ (67,024)</u>	<u>\$ 1,468,350</u>	<u>\$ (230,004)</u>	<u>\$ -</u>	<u>\$ 1,171,322</u>

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the major special revenue funds.

	Police Fund	Fire and EMS Fund	UCB Tax Increment Financing Fund	State Route 747 Tax Increment Financing Fund
GAAP Basis	\$ (49,143)	\$ (736,384)	\$ 6,923,211	\$ (1,802,781)
Adjustments:				
Revenue Accruals	(125,890)	4,907	-	-
Expenditure Accruals	(49,595)	170,662	558,913	914,009
Encumbrances	(627,966)	(720,005)	(3,380,762)	(4,217,144)
Budget Basis	<u>\$ (852,594)</u>	<u>\$ (1,280,820)</u>	<u>\$ 4,101,362</u>	<u>\$ (5,105,916)</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

West Chester Township
Butler County, Ohio
Fund Descriptions
For the Year Ended December 31, 2018

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 restricted for maintenance and repairs of Township roads.

Motor Vehicle License Tax

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

Gasoline Tax

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

Road and Bridge

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

Cemetery

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

Enforcement and Education

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

Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions restricted for the use of drug law enforcement activity.

Police Assistance

To account for State reimbursement grant revenues restricted for uses to support the Police department.

Cin-Day TIF

To account for payments received in lieu of taxes on property and restricted for the use of properties located in the Cincinnati Dayton Road tax increment financing district.

West Chester Township
Butler County, Ohio
Fund Descriptions
For the Year Ended December 31, 2018

Combining Statements – Nonmajor Governmental Funds – Nonmajor Special Revenue
Funds (Continued)

Asset Forfeiture

To account for monies received from forfeited assets that are a result from Federal cases occurring in the Township and restricted for the use of the furtherance of justice.

Street Lighting

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

UCB Landscape District

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

West Chester Development Council

To account for the financial activity of the Township's component unit which is restricted for the purpose of economic development. This fund is not required nor does it have a legally adopted budget.

Central Business TIF District

To account for assessments levied on property owners and restricted for the implementation, repair and maintenance costs within the central business district.

Tylersville TIF Service Payments

To account for payments received in lieu of taxes on property owners and restricted for the use of properties located in the Tylersville tax increment financing district.

Cincinnati-Columbus TIF

To account for payments received in lieu of taxes on property owners and restricted for the use of properties located in the Cincinnati-Columbus tax increment financing district.

Tylers Place TIF

To account for payments received in lieu of taxes on property owners and restricted for the use of properties located in the Tylers Place tax increment financing district.

West Chester Community Television

To separately account for cable franchise fees for the operation of the community television channel. This fund has a legally adopted budget but for GAAP purposes is included as part of the General Fund.

West Chester Township
Butler County, Ohio
Fund Descriptions
For the Year Ended December 31, 2018

Combining Statements – Nonmajor Governmental Funds – Nonmajor Special Revenue
Funds (Continued)

West Chester Connections

To separately account for monies received from recycling efforts to enable the development of bicycle and walking trails. This fund has a legally adopted budget but for GAAP purposes is included as part of the General Fund.

Sustainable Infrastructure

To separately account for interest revenue from various funds for continued maintenance of Township Infrastructure including pavement, slurry, curbs and culverts. This fund has a legally adopted budget but for GAAP purposes is included as part of the General Fund.

NONMAJOR DEBT SERVICE FUNDS

State Route 747 TIF Debt Service

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

Central Business District TIF Debt Service

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

Capstone TIF Debt Service

To account for financed debt service related to the road improvements at Capstone Boulevard.

NONMAJOR PERMANENT FUNDS

Cemetery Bequest

To account for donations received and restricted to aid in the maintenance of the Township cemetery.

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West Chester Township
Butler County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Fund (Cemetery Bequest)	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 10,340,820	\$ 1,333,328	\$ 16,167	\$ 11,690,315
Receivables:				
Taxes	1,527,263	-	-	1,527,263
Accounts	3,249	-	-	3,249
Due From Other Governments	337,301	-	-	337,301
Interest	1,172	-	10	1,182
Special Assessments	513,940	1,827,150	-	2,341,090
Prepaid Items	36,294	-	-	36,294
Payment in Lieu of Taxes Receivable	778,468	2,760,559	-	3,539,027
Total Assets	\$ 13,538,507	\$ 5,921,037	\$ 16,177	\$ 19,475,721
Liabilities				
Accounts Payable	\$ 168,666	\$ -	\$ -	\$ 168,666
Contracts Payable	4,984	-	-	4,984
Accrued Wages and Benefits	54,364	-	-	54,364
Matured Compensated Absences Payable	8,173	-	-	8,173
Intergovernmental Payable	48,466	-	-	48,466
Total Liabilities	284,653	-	-	284,653
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	1,486,896	-	-	1,486,896
Unavailable Revenue - Special Assessments	513,940	1,827,150	-	2,341,090
Unavailable Revenue - Intergovernmental	290,755	-	-	290,755
Unavailable Revenue - Interest and Other	3,827	-	10	3,837
Unavailable Revenue - Payments in Lieu of Taxes	778,468	2,760,559	-	3,539,027
Total Deferred Inflows of Resources	3,073,886	4,587,709	10	7,661,605
Fund Balances				
Nonspendable:				
Permanent Fund Principal	-	-	5,000	5,000
Prepaid Items	36,294	-	-	36,294
Restricted for:				
Cemetery Operation	304,375	-	11,167	315,542
Economic Development	86,204	-	-	86,204
Tax Increment Financing Districts	5,823,456	1,333,328	-	7,156,784
Public safety- Police Protection Services	804,308	-	-	804,308
Public works- Landscaping	349,165	-	-	349,165
Public works- Lighting	435,922	-	-	435,922
Public works- Road and Bridge Maintenance	847,687	-	-	847,687
Public works- State Highway Maintenance	509,281	-	-	509,281
Public works- Township Road Repair and Maintenance	983,276	-	-	983,276
Total Fund Balances	10,179,968	1,333,328	16,167	11,529,463
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,538,507	\$ 5,921,037	\$ 16,177	\$ 19,475,721

See Independent Auditor's Report

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Fund (Cemetery Bequest)	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$ 1,956,312	\$ -	\$ -	\$ 1,956,312
Charges for Services	69,891	-	-	69,891
Licenses and Permits	3,960	-	-	3,960
Fines and Forfeitures	160,590	-	-	160,590
Intergovernmental	638,388	-	-	638,388
Special Assessments	524,740	226,800	-	751,540
Interest	31,532	-	276	31,808
Payments in Lieu of Taxes	3,047,533	1,136,093	-	4,183,626
Contributions and Donations	36,500	-	-	36,500
Other	35,577	-	-	35,577
Total Revenues	<u>6,505,023</u>	<u>1,362,893</u>	<u>276</u>	<u>7,868,192</u>
Expenditures				
Current:				
Public Safety				
Police	26,353	-	-	26,353
Public Works	2,777,978	-	-	2,777,978
Cemetery	235,442	-	97	235,539
Economic Development	21,355	-	-	21,355
Payments to Schools	2,159,043	-	-	2,159,043
Capital Outlay	2,019,737	-	-	2,019,737
Debt Service				
Principal Retirement	1,550,000	1,055,874	-	2,605,874
Interest and Fiscal Charges	-	367,555	-	367,555
Total Expenditures	<u>8,789,908</u>	<u>1,423,429</u>	<u>97</u>	<u>10,213,434</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,284,885)</u>	<u>(60,536)</u>	<u>179</u>	<u>(2,345,242)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	570	-	-	570
Transfers In	1,750,000	-	-	1,750,000
Total Other Financing Sources (Uses)	<u>1,750,570</u>	<u>-</u>	<u>-</u>	<u>1,750,570</u>
Net Change in Fund Balances	(534,315)	(60,536)	179	(594,672)
Fund Balances at Beginning of Year	<u>10,714,283</u>	<u>1,393,864</u>	<u>15,988</u>	<u>12,124,135</u>
Fund Balances at End of Year	<u>\$ 10,179,968</u>	<u>\$ 1,333,328</u>	<u>\$ 16,167</u>	<u>\$ 11,529,463</u>

See Independent Auditor's Report

West Chester Township, Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Township Motor Vehicle License Tax	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	Enforcement & Education	Drug Law Enforcement	Police Assistance	Cin-Day TIF
Assets									
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 744,704	\$ 241,152	\$ 487,188	\$ 984,650	\$ 317,016	\$ 24,788	\$ 313,360	\$ 16,644	\$ 155,856
Receivables:									
Taxes	40,367	-	-	1,486,896	-	-	-	-	-
Accounts	1,851	-	-	1,105	293	-	-	-	-
Due From Other Governments	-	55,506	194,049	86,686	-	85	975	-	-
Interest	468	146	287	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-
Prepaid Items	31,128	-	-	161	4,543	-	454	-	-
Payment in Lieu of Taxes Receivable	-	-	-	-	-	-	-	-	244,133
Total Assets	\$ 818,518	\$ 296,804	\$ 681,524	\$ 2,559,498	\$ 321,852	\$ 24,873	\$ 314,789	\$ 16,644	\$ 399,989
Liabilities									
Accounts Payable	\$ 40,788	\$ 11,173	\$ 10,103	\$ 43,544	\$ 77	\$ -	\$ 1,807	\$ -	\$ 18,184
Contracts Payable	3,842	-	361	-	781	-	-	-	-
Accrued Wages and Benefits	-	-	-	46,703	5,287	-	-	-	-
Matured Compensated Absences Payable	-	-	-	6,742	1,022	-	-	-	-
Intergovernmental Payable	-	-	73	40,568	5,474	-	-	-	-
Total Liabilities	44,630	11,173	10,537	137,557	12,641	-	1,807	-	18,184
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	-	-	-	1,486,896	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Intergovernmental	-	42,650	161,419	86,686	-	-	-	-	-
Unavailable Revenue - Interest and Other	2,319	146	287	511	293	-	-	-	-
Unavailable Revenue - Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	244,133
Total Deferred Inflows of Resources	2,319	42,796	161,706	1,574,093	293	-	-	-	244,133
Fund Balances									
Nonspendable:									
Prepaid Items	31,128	-	-	161	4,543	-	454	-	-
Restricted for:									
Cemetery Operation	-	-	-	-	304,375	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Tax Increment Financing Districts	-	-	-	-	-	-	-	-	137,672
Public safety- Police Protection Services	-	-	-	-	-	24,873	312,528	16,644	-
Public works- Landscaping	-	-	-	-	-	-	-	-	-
Public works- Lighting	-	-	-	-	-	-	-	-	-
Public works- Road and Bridge Maintenance	-	-	-	847,687	-	-	-	-	-
Public works- State Highway Maintenance	-	-	509,281	-	-	-	-	-	-
Public works- Township Road Repair and Maintenance	740,441	242,835	-	-	-	-	-	-	-
Total Fund Balances	771,569	242,835	509,281	847,848	308,918	24,873	312,982	16,644	137,672
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 818,518	\$ 296,804	\$ 681,524	\$ 2,559,498	\$ 321,852	\$ 24,873	\$ 314,789	\$ 16,644	\$ 399,989

See Independent Auditor's Report

West Chester Township, Butler County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018 (continued)

	Asset Forfeiture	Street Lighting	UCB Landscape District	West Chester Development Council	Central Business TIF District	Tylersville TIF Service Payments	Cincinnati- Columbus TIF	Tylers Place TIF	Total Nonmajor Special Revenue Funds
Assets									
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 450,263	\$ 440,861	\$ 354,331	\$ 86,602	\$ 5,696,242	\$ -	\$ 7,210	\$ 19,953	\$ 10,340,820
Receivables:									
Taxes	-	-	-	-	-	-	-	-	1,527,263
Accounts	-	-	-	-	-	-	-	-	3,249
Due From Other Governments	-	-	-	-	-	-	-	-	337,301
Interest	271	-	-	-	-	-	-	-	1,172
Special Assessments	-	348,940	165,000	-	-	-	-	-	513,940
Prepaid Items	-	-	8	-	-	-	-	-	36,294
Payment in Lieu of Taxes Receivable	-	-	-	-	457,641	51,389	4,456	20,849	778,468
Total Assets	\$ 450,534	\$ 789,801	\$ 519,339	\$ 86,602	\$ 6,153,883	\$ 51,389	\$ 11,666	\$ 40,802	\$ 13,538,507
Liabilities									
Accounts Payable	\$ -	\$ 4,939	\$ 32	\$ 398	\$ 26,962	\$ -	\$ 5,016	\$ 5,643	\$ 168,666
Contracts Payable	-	-	-	-	-	-	-	-	4,984
Accrued Wages and Benefits	-	-	2,374	-	-	-	-	-	54,364
Matured Compensated Absences Payable	-	-	409	-	-	-	-	-	8,173
Intergovernmental Payable	-	-	2,351	-	-	-	-	-	48,466
Total Liabilities	-	4,939	5,166	398	26,962	-	5,016	5,643	284,653
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	-	1,486,896
Unavailable Revenue - Special Assessments	-	348,940	165,000	-	-	-	-	-	513,940
Unavailable Revenue - Intergovernmental	-	-	-	-	-	-	-	-	290,755
Unavailable Revenue - Interest and Other	271	-	-	-	-	-	-	-	3,827
Unavailable Revenue - Payments in Lieu of Taxes	-	-	-	-	457,641	51,389	4,456	20,849	778,468
Total Deferred Inflows of Resources	271	348,940	165,000	-	457,641	51,389	4,456	20,849	3,073,886
Fund Balances									
Nonspendable:									
Prepaid Items	-	-	8	-	-	-	-	-	36,294
Restricted for:									
Cemetery Operation	-	-	-	-	-	-	-	-	304,375
Economic Development	-	-	-	86,204	-	-	-	-	86,204
Tax Increment Financing Districts	-	-	-	-	5,669,280	-	2,194	14,310	5,823,456
Public safety- Police Protection Services	450,263	-	-	-	-	-	-	-	804,308
Public works- Landscaping	-	-	349,165	-	-	-	-	-	349,165
Public works- Lighting	-	435,922	-	-	-	-	-	-	435,922
Public works- Road and Bridge Maintenance	-	-	-	-	-	-	-	-	847,687
Public works- State Highway Maintenance	-	-	-	-	-	-	-	-	509,281
Public works- Township Road Repair and Maintenance	-	-	-	-	-	-	-	-	983,276
Total Fund Balances	450,263	435,922	349,173	86,204	5,669,280	-	2,194	14,310	10,179,968
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 450,534	\$ 789,801	\$ 519,339	\$ 86,602	\$ 6,153,883	\$ 51,389	\$ 11,666	\$ 40,802	\$ 13,538,507

See Independent Auditor's Report

West Chester Township, Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Township Motor Vehicle License Tax	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	Enforcement & Education	Drug Law Enforcement	Police Assistance	Cin-Day TIF
Revenues									
Property and Other Taxes	\$ 538,467	\$ -	\$ -	\$ 1,417,845	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	17,283	52,608	-	-	-	-
Licenses and Permits	-	-	-	-	3,960	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	36,381	-	-
Intergovernmental	-	88,163	397,223	151,397	-	1,605	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-
Interest	11,603	3,540	10,194	-	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	366,527
Contributions and Donations	-	-	-	-	-	-	-	-	-
Other	4,163	-	-	1,285	301	-	-	29,828	-
Total Revenues	554,233	91,703	407,417	1,587,810	56,869	1,605	36,381	29,828	366,527
Expenditures									
Current:									
Public Safety									
Police	-	-	-	-	-	1,270	9,804	14,451	-
Public Works	392,292	25,757	285,213	1,606,861	-	-	-	-	-
Cemetery	-	-	-	-	235,442	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Payments to Schools	-	-	-	-	-	-	-	-	245,162
Capital Outlay	53,296	-	318,619	1,417,552	-	-	9,750	-	119,706
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Total Expenditures	445,588	25,757	603,832	3,024,413	235,442	1,270	19,554	14,451	364,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	108,645	65,946	(196,415)	(1,436,603)	(178,573)	335	16,827	15,377	1,659
Other Financing Sources (Uses)									
Proceeds from Sale of Capital Assets	-	-	570	-	-	-	-	-	-
Transfers In	-	-	-	1,500,000	250,000	-	-	-	-
Total Other Financing Sources (Uses)	-	-	570	1,500,000	250,000	-	-	-	-
Net Change in Fund Balances	108,645	65,946	(195,845)	63,397	71,427	335	16,827	15,377	1,659
Fund Balances at Beginning of Year	662,924	176,889	705,126	784,451	237,491	24,538	296,155	1,267	136,013
Fund Balances at End of Year	\$ 771,569	\$ 242,835	\$ 509,281	\$ 847,848	\$ 308,918	\$ 24,873	\$ 312,982	\$ 16,644	\$ 137,672

See Independent Auditor's Report

West Chester Township, Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018 (continued)

	Asset Forfeiture	Street Lighting	UCB Landscape District	West Chester Development Council	Central Business TIF District	Tylersville TIF Service Payments	Cincinnati- Columbus TIF	Tylers Place TIF	Total Nonmajor Special Revenue Funds
Revenues									
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,956,312
Charges for Services	-	-	-	-	-	-	-	-	69,891
Licenses and Permits	-	-	-	-	-	-	-	-	3,960
Fines and Forfeitures	124,209	-	-	-	-	-	-	-	160,590
Intergovernmental	-	-	-	-	-	-	-	-	638,388
Special Assessments	-	349,858	174,882	-	-	-	-	-	524,740
Interest	6,128	-	-	67	-	-	-	-	31,532
Payments in Lieu of Taxes	-	-	-	-	2,431,896	168,847	21,775	58,488	3,047,533
Contributions and Donations	-	-	-	36,500	-	-	-	-	36,500
Other	-	-	-	-	-	-	-	-	35,577
Total Revenues	130,337	349,858	174,882	36,567	2,431,896	168,847	21,775	58,488	6,505,023
Expenditures									
Current:									
Public Safety									
Police	828	-	-	-	-	-	-	-	26,353
Public Works	-	297,937	114,009	-	-	55,909	-	-	2,777,978
Cemetery	-	-	-	-	-	-	-	-	235,442
Economic Development	-	-	-	21,355	-	-	-	-	21,355
Payments to Schools	-	-	-	-	1,747,256	112,938	14,565	39,122	2,159,043
Capital Outlay	-	-	27,407	-	60,510	-	5,016	7,881	2,019,737
Debt Service									
Principal Retirement	-	-	-	-	1,550,000	-	-	-	1,550,000
Total Expenditures	828	297,937	141,416	21,355	3,357,766	168,847	19,581	47,003	8,789,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	129,509	51,921	33,466	15,212	(925,870)	-	2,194	11,485	(2,284,885)
Other Financing Sources (Uses)									
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	570
Transfers In	-	-	-	-	-	-	-	-	1,750,000
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	1,750,570
Net Change in Fund Balances	129,509	51,921	33,466	15,212	(925,870)	-	2,194	11,485	(534,315)
Fund Balances at Beginning of Year	320,754	384,001	315,707	70,992	6,595,150	-	-	2,825	10,714,283
Fund Balances at End of Year	\$ 450,263	\$ 435,922	\$ 349,173	\$ 86,204	\$ 5,669,280	\$ -	\$ 2,194	\$ 14,310	\$ 10,179,968

See Independent Auditor's Report

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$ 469,938	\$ 469,938	\$ 537,983	\$ 68,045
Interest	4,400	4,400	11,097	6,697
Other	3,277	3,277	4,669	1,392
Total Revenue	<u>477,615</u>	<u>477,615</u>	<u>553,749</u>	<u>76,134</u>
Expenditures				
Current:				
Public Works				
Roads and Bridges				
Other	481,251	545,193	412,195	132,998
Capital Outlay	80,000	80,000	53,296	26,704
Total Expenditures	<u>561,251</u>	<u>625,193</u>	<u>465,491</u>	<u>159,702</u>
Net Change in Fund Balance	(83,636)	(147,578)	88,258	235,836
Fund Balance at Beginning of Year	540,855	540,855	540,855	-
Prior Year Encumbrances Appropriated	<u>63,941</u>	<u>63,941</u>	<u>63,941</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 521,160</u>	<u>\$ 457,218</u>	<u>\$ 693,054</u>	<u>\$ 235,836</u>

See Independent Auditor's Report

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 80,773	\$ 80,773	\$ 88,250	\$ 7,477
Interest	1,400	1,400	3,540	2,140
Total Revenue	<u>82,173</u>	<u>82,173</u>	<u>91,790</u>	<u>9,617</u>
Expenditures				
Current:				
Public Works				
Roads and Bridges				
Other	56,040	104,080	76,033	28,047
Total Expenditures	<u>56,040</u>	<u>104,080</u>	<u>76,033</u>	<u>28,047</u>
Net Change in Fund Balance	26,133	(21,907)	15,757	37,664
Fund Balance at Beginning of Year	125,755	125,755	125,755	-
Prior Year Encumbrances Appropriated	<u>48,040</u>	<u>48,040</u>	<u>48,040</u>	-
Fund Balance at End of Year	<u>\$ 199,928</u>	<u>\$ 151,888</u>	<u>\$ 189,552</u>	<u>\$ 37,664</u>

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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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 343,429	\$ 343,429	\$ 394,614	\$ 51,185
Interest	3,200	3,200	10,194	6,994
Total Revenue	<u>346,629</u>	<u>346,629</u>	<u>404,808</u>	<u>58,179</u>
Expenditures				
Current:				
Public Works				
Roads and Bridges				
Other	296,161	447,717	387,180	60,537
Capital Outlay	535,000	435,000	353,164	81,836
Total Expenditures	<u>831,161</u>	<u>882,717</u>	<u>740,344</u>	<u>142,373</u>
Deficiency of Revenues Under Expenditures	<u>(484,532)</u>	<u>(536,088)</u>	<u>(335,536)</u>	<u>200,552</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	451	451	570	119
Total Other Financing Sources	<u>451</u>	<u>451</u>	<u>570</u>	<u>119</u>
Net Change in Fund Balance	(484,081)	(535,637)	(334,966)	200,671
Fund Balance at Beginning of Year	629,488	629,488	629,488	-
Prior Year Encumbrances Appropriated	51,555	51,555	51,555	-
Fund Balance at End of Year	<u>\$ 196,962</u>	<u>\$ 145,406</u>	<u>\$ 346,077</u>	<u>\$ 200,671</u>

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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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 1,308,531	\$ 1,308,531	\$ 1,417,845	\$ 109,314
Intergovernmental	142,035	142,035	151,397	9,362
Charges for Services	13,925	13,925	17,283	3,358
Other	-	-	910	910
Total Revenue	<u>1,464,491</u>	<u>1,464,491</u>	<u>1,587,435</u>	<u>122,944</u>
Expenditures				
Current:				
Public Works				
Personal Services	1,781,472	1,781,473	1,562,857	218,616
Other	31,500	31,567	19,423	12,144
	<u>1,812,972</u>	<u>1,813,040</u>	<u>1,582,280</u>	<u>230,760</u>
Capital Outlay	<u>1,600,000</u>	<u>1,645,000</u>	<u>1,454,315</u>	<u>190,685</u>
Total Expenditures	<u>3,412,972</u>	<u>3,458,040</u>	<u>3,036,595</u>	<u>421,445</u>
Deficiency of Revenues Under Expenditures	<u>(1,948,481)</u>	<u>(1,993,549)</u>	<u>(1,449,160)</u>	<u>544,389</u>
Other Financing Sources				
Transfers In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Other Financing Sources	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	(448,481)	(493,549)	50,840	544,389
Fund Balance at Beginning of Year	852,893	852,893	852,893	-
Prior Year Encumbrances Appropriated	<u>67</u>	<u>67</u>	<u>67</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 404,479</u>	<u>\$ 359,411</u>	<u>\$ 903,800</u>	<u>\$ 544,389</u>

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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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 39,000	\$ 39,000	\$ 52,608	\$ 13,608
Licenses and Permits	-	-	3,960	3,960
Other	-	-	301	301
Total Revenue	39,000	39,000	56,869	17,568
Expenditures				
Current:				
Cemetery				
Personal Services	269,664	269,664	200,877	68,787
Other	55,606	56,164	30,827	25,337
Total Expenditures	325,270	325,828	231,704	94,124
Deficiency of Revenues Under Expenditures	(286,270)	(286,828)	(174,835)	111,993
Other Financing Sources				
Transfers In	250,000	250,000	250,000	-
Total Other Financing Sources	250,000	250,000	250,000	-
Net Change in Fund Balance	(36,270)	(36,828)	75,165	111,993
Fund Balance at Beginning of Year	241,254	241,254	241,254	-
Prior Year Encumbrances Appropriated	557	557	557	-
Fund Balance at End of Year	\$ 205,541	\$ 204,983	\$ 316,976	\$ 111,993

See Independent Auditor's Report

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,500	\$ 1,337	\$ 1,740	\$ 403
Total Revenue	<u>1,500</u>	<u>1,337</u>	<u>1,740</u>	<u>403</u>
Expenditures				
Current:				
Public Safety				
Police				
Other	<u>25,818</u>	<u>25,655</u>	<u>1,270</u>	<u>24,385</u>
Total Expenditures	<u>25,818</u>	<u>25,655</u>	<u>1,270</u>	<u>24,385</u>
Net Change in Fund Balance	(24,318)	(24,318)	470	24,788
Fund Balance at Beginning of Year	<u>24,318</u>	<u>24,318</u>	<u>24,318</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,788</u>	<u>\$ 24,788</u>

See Independent Auditor's Report

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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 37,201	\$ 12,201
Total Revenue	25,000	25,000	37,201	12,201
Expenditures				
Current:				
Public Safety				
Police				
Other	285,305	285,306	10,376	274,930
Capital Outlay	30,000	34,577	10,155	24,422
Total Expenditures	315,305	319,883	20,531	299,352
Net Change in Fund Balance	(290,305)	(294,883)	16,670	311,553
Fund Balance at Beginning of Year	290,306	290,306	290,306	-
Prior Year Encumbrances Appropriated	4,577	4,577	4,577	-
Fund Balance at End of Year	\$ 4,578	\$ -	\$ 311,553	\$ 311,553

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West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Assistance Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenue	\$ 15,000	\$ 15,000	\$ 29,828	\$ 14,828
Total Revenue	<u>15,000</u>	<u>15,000</u>	<u>29,828</u>	<u>14,828</u>
Expenditures				
Current:				
Public Safety				
Police				
Other	16,267	16,267	14,451	1,816
Total Expenditures	<u>16,267</u>	<u>16,267</u>	<u>14,451</u>	<u>1,816</u>
Net Change in Fund Balance	(1,267)	(1,267)	15,377	16,644
Fund Balance at Beginning of Year	<u>1,267</u>	<u>1,267</u>	<u>1,267</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,644</u></u>	<u><u>\$ 16,644</u></u>

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West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cin-Day TIF Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Payments in Lieu of Property Taxes	\$ 288,991	\$ 366,527	\$ 366,527	\$ -
Total Revenue	288,991	366,527	366,527	-
Expenditures				
Capital Outlay	425,004	185,004	125,351	59,653
Payments to Schools	-	317,536	245,162	72,374
Total Expenditures	425,004	502,540	370,513	132,027
Net Change in Fund Balance	(136,013)	(136,013)	(3,986)	132,027
Fund Balance at Beginning of Year	136,013	136,013	136,013	-
Fund Balance at End of Year	\$ -	\$ -	\$ 132,027	\$ 132,027

See Independent Auditor's Report

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, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 60,000	\$ 60,000	\$ 124,209	\$ 64,209
Interest	500	500	6,128	5,628
Total Revenue	<u>60,500</u>	<u>60,500</u>	<u>130,337</u>	<u>69,837</u>
Expenditures				
Current:				
Public Safety				
Police				
Other	356,254	356,254	828	355,426
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>381,254</u>	<u>381,254</u>	<u>828</u>	<u>380,426</u>
Net Change in Fund Balance	(320,754)	(320,754)	129,509	450,263
Fund Balance at Beginning of Year	<u>320,754</u>	<u>320,754</u>	<u>320,754</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,263</u>	<u>\$ 450,263</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$ 338,956	\$ 338,956	\$ 349,858	\$ 10,902
Total Revenue	338,956	338,956	349,858	10,902
Expenditures				
Current:				
Public Works				
Street Lighting				
Other	722,957	722,957	297,937	425,020
Total Expenditures	722,957	722,957	297,937	425,020
Net Change in Fund Balance	(384,001)	(384,001)	51,921	435,922
Fund Balance at Beginning of Year	384,001	384,001	384,001	-
Fund Balance at End of Year	\$ -	\$ -	\$ 435,922	\$ 435,922

See Independent Auditor's Report

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 165,000	\$ 165,000	\$ 174,882	\$ 9,882
Total Revenue	<u>165,000</u>	<u>165,000</u>	<u>174,882</u>	<u>9,882</u>
Expenditures				
Current:				
Public Works				
Roads and Bridges				
Personal Services	133,716	133,716	98,275	35,441
Other	156,362	153,957	14,971	138,986
Capital Outlay	<u>55,000</u>	<u>57,409</u>	<u>27,407</u>	<u>30,002</u>
Total Expenditures	<u>345,078</u>	<u>345,082</u>	<u>140,653</u>	<u>204,429</u>
Net Change in Fund Balance	(180,078)	(180,082)	34,229	214,311
Fund Balance at Beginning of Year	320,078	320,078	320,078	-
Prior Year Encumbrances Appropriated	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 140,004</u>	<u>\$ 140,000</u>	<u>\$ 354,311</u>	<u>\$ 214,311</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Central Business TIF District Fund
For the Year Ended December 31, 2018

	<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	\$ 1,916,128	\$ 1,916,128	\$ 2,431,896	\$ 515,768
Total Revenue	<u>1,916,128</u>	<u>1,916,128</u>	<u>2,431,896</u>	<u>515,768</u>
Expenditures				
Payments to Schools	-	1,745,033	1,745,033	-
Capital Outlay	8,510,189	5,217,917	72,755	5,145,162
Debt Service				
Principal Retirement	-	1,550,000	1,550,000	-
Total Expenditures	<u>8,510,189</u>	<u>8,512,950</u>	<u>3,367,788</u>	<u>5,145,162</u>
Net Change in Fund Balance	(6,594,061)	(6,596,822)	(935,892)	5,660,930
Fund Balance at Beginning of Year	6,594,062	6,594,062	6,594,062	-
Prior Year Encumbrances Appropriated	<u>2,760</u>	<u>2,760</u>	<u>2,760</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,761</u>	<u>\$ -</u>	<u>\$ 5,660,930</u>	<u>\$ 5,660,930</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tylersville TIF Service Payments Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Property Taxes	\$ 137,874	\$ 168,847	\$ 168,847	\$ -
Total Revenue	<u>137,874</u>	<u>168,847</u>	<u>168,847</u>	<u>-</u>
Expenditures				
Current:				
Public Works				
Roads and Bridges	-	55,909	55,909	-
Payments to Schools	-	112,938	112,938	-
Capital Outlay	<u>137,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>137,874</u>	<u>168,847</u>	<u>168,847</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tylers Place TIF Fund
For the Year Ended December 31, 2018

	<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	\$ 150,000	\$ 58,488	\$ 58,488	\$ -
Total Revenue	<u>150,000</u>	<u>58,488</u>	<u>58,488</u>	<u>-</u>
Expenditures				
Payments to Schools	-	41,800	39,122	2,678
Capital Outlay	152,825	19,513	9,845	9,668
Total Expenditures	<u>152,825</u>	<u>61,313</u>	<u>48,967</u>	<u>12,346</u>
Net Change in Fund Balance	(2,825)	(2,825)	9,521	12,346
Fund Balance at Beginning of Year	<u>2,825</u>	<u>2,825</u>	<u>2,825</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,346</u>	<u>\$ 12,346</u>

See Independent Auditor's Report

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, 2018

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 775	\$ 775	\$ 240	\$ (535)
Licenses and Permits	564,964	564,964	619,441	54,477
Other	1,595	1,595	170	(1,425)
	<u>567,334</u>	<u>567,334</u>	<u>619,851</u>	<u>52,517</u>
Total Revenue				
Expenditures				
Current:				
Community Television				
Personal Services	341,593	341,593	322,744	18,849
Other	155,555	171,594	138,625	32,969
	<u>497,148</u>	<u>513,187</u>	<u>461,369</u>	<u>51,818</u>
Capital Outlay	200,000	241,831	221,483	20,348
Debt Service				
Principal Retirement	66,103	151,103	146,218	4,885
Interest and Fiscal Charges	20,785	20,785	20,785	-
	<u>86,888</u>	<u>171,888</u>	<u>167,003</u>	<u>4,885</u>
Total Expenditures	<u>784,036</u>	<u>926,906</u>	<u>849,855</u>	<u>77,051</u>
Net Change in Fund Balance	(216,702)	(359,572)	(230,004)	129,568
Fund Balance at Beginning of Year	1,431,725	1,431,725	1,431,725	-
Prior Year Encumbrances Appropriated	57,870	57,870	57,870	-
Fund Balance at End of Year	<u>\$ 1,272,893</u>	<u>\$ 1,130,023</u>	<u>\$ 1,259,591</u>	<u>\$ 129,568</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
West Chester Connections Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlay	177,012	177,012	-	177,012
Total Expenditures	177,012	177,012	-	177,012
Net Change in Fund Balance	(177,012)	(177,012)	-	177,012
Fund Balance at Beginning of Year	177,012	177,012	177,012	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,012</u>	<u>\$ 177,012</u>

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West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sustainable Infrastructure Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 200,000	\$ 200,000	\$ 1,468,350	\$ 1,268,350
Total Revenue	<u>200,000</u>	<u>200,000</u>	<u>1,468,350</u>	<u>1,268,350</u>
Expenditures				
Capital Outlay	<u>6,621,275</u>	<u>6,621,275</u>	<u>-</u>	<u>6,621,275</u>
Total Expenditures	<u>6,621,275</u>	<u>6,621,275</u>	<u>-</u>	<u>6,621,275</u>
Net Change in Fund Balance	(6,421,275)	(6,421,275)	1,468,350	7,889,625
Fund Balance at Beginning of Year	<u>6,421,275</u>	<u>6,421,275</u>	<u>6,421,275</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,889,625</u>	<u>\$ 7,889,625</u>

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West Chester Township, Butler County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2018

	State Route 747 TIF Debt Service	Central Business District TIF Debt Service	Capstone TIF Debt Service	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 1,124,325	\$ 209,003	\$ -	\$ 1,333,328
Receivables:				
Special Assessments	-	-	1,827,150	1,827,150
Payments in Lieu of Taxes Receivable	2,381,717	378,842	-	2,760,559
Total Assets	\$ 3,506,042	\$ 587,845	\$ 1,827,150	\$ 5,921,037
Deferred Inflows of Resources				
Unavailable Revenue - Special Assessments	\$ -	\$ -	\$ 1,827,150	\$ 1,827,150
Unavailable Revenue - Payments in Lieu of Taxes	2,381,717	378,842	-	2,760,559
Total Deferred Inflows of Resources	2,381,717	378,842	1,827,150	4,587,709
Fund Balances				
Restricted for:				
Tax Increment Financing Districts	1,124,325	209,003	-	1,333,328
Total Fund Balances	1,124,325	209,003	-	1,333,328
Total Deferred Inflows of Resources and Fund Balances	\$ 3,506,042	\$ 587,845	\$ 1,827,150	\$ 5,921,037

See Independent Auditor's Report

West Chester Township, Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018

	State Route 747 TIF Debt Service	Central Business District TIF Debt Service	Capstone TIF Debt Service	Total Nonmajor Debt Service Funds
Revenues				
Payments in Lieu of Taxes	\$ 959,095	\$ 176,998	\$ -	\$ 1,136,093
Special Assessments	-	-	226,800	226,800
Total Revenues	<u>959,095</u>	<u>176,998</u>	<u>226,800</u>	<u>1,362,893</u>
Expenditures				
Debt Service				
Principal Retirement	795,874	110,000	150,000	1,055,874
Interest and Fiscal Charges	222,895	67,860	76,800	367,555
Total Expenditures	<u>1,018,769</u>	<u>177,860</u>	<u>226,800</u>	<u>1,423,429</u>
Net Change in Fund Balances	(59,674)	(862)	-	(60,536)
Fund Balances at Beginning of Year	<u>1,183,999</u>	<u>209,865</u>	<u>-</u>	<u>1,393,864</u>
Fund Balances at End of Year	<u>\$ 1,124,325</u>	<u>\$ 209,003</u>	<u>\$ -</u>	<u>\$ 1,333,328</u>

See Independent Auditor's Report

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 Financing Debt Service Fund
For the Year Ended December 31, 2018

	<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	\$ 4,303,376	\$ 2,088,210	\$ 2,088,210	\$ -
Total Revenue	<u>4,303,376</u>	<u>2,088,210</u>	<u>2,088,210</u>	<u>-</u>
Expenditures				
Debt Service				
Principal Retirement	4,206,372	5,804,404	5,804,404	-
Interest and Fiscal Charges	<u>7,545,517</u>	<u>3,732,319</u>	<u>928,377</u>	<u>2,803,942</u>
Total Expenditures	<u>11,751,889</u>	<u>9,536,723</u>	<u>6,732,781</u>	<u>2,803,942</u>
Net Change in Fund Balance	(7,448,513)	(7,448,513)	(4,644,571)	2,803,942
Fund Balance at Beginning of Year	<u>7,448,513</u>	<u>7,448,513</u>	<u>7,448,513</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803,942</u>	<u>\$ 2,803,942</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Route 747 TIF Debt Service Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Property Taxes	\$ 1,029,094	\$ 959,094	\$ 959,095	\$ 1
Total Revenue	<u>1,029,094</u>	<u>959,094</u>	<u>959,095</u>	<u>1</u>
Expenditures				
Debt Service				
Principal Retirement	795,874	795,874	795,874	-
Interest and Fiscal Charges	<u>1,417,219</u>	<u>1,347,219</u>	<u>222,895</u>	<u>1,124,324</u>
Total Expenditures	<u>2,213,093</u>	<u>2,143,093</u>	<u>1,018,769</u>	<u>1,124,324</u>
Net Change in Fund Balance	(1,183,999)	(1,183,999)	(59,674)	1,124,325
Fund Balance at Beginning of Year	<u>1,183,999</u>	<u>1,183,999</u>	<u>1,183,999</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,325</u>	<u>\$ 1,124,325</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Central Business District TIF Debt Service Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Property Taxes	\$ 176,998	\$ 176,998	\$ 176,998	\$ -
Total Revenue	<u>176,998</u>	<u>176,998</u>	<u>176,998</u>	<u>-</u>
Expenditures				
Debt Service				
Principal Retirement	110,000	110,000	110,000	-
Interest and Fiscal Charges	<u>276,863</u>	<u>276,863</u>	<u>67,860</u>	<u>209,003</u>
Total Expenditures	<u>386,863</u>	<u>386,863</u>	<u>177,860</u>	<u>209,003</u>
Net Change in Fund Balance	(209,865)	(209,865)	(862)	209,003
Fund Balance at Beginning of Year	<u>209,865</u>	<u>209,865</u>	<u>209,865</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,003</u>	<u>\$ 209,003</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capstone TIF Debt Service Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$ 226,800	\$ 226,800	\$ 226,800	\$ -
Total Revenue	226,800	226,800	226,800	-
Expenditures				
Debt Service				
Principal Retirement	150,000	150,000	150,000	-
Interest and Fiscal Charges	76,800	76,800	76,800	-
Total Expenditures	226,800	226,800	226,800	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -
See Independent Auditor's Report				

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 110	\$ 110	\$ 276	\$ 166
Total Revenue	<u>110</u>	<u>110</u>	<u>276</u>	<u>166</u>
Expenditures				
Current:				
Cemetery	<u>16,098</u>	<u>16,098</u>	<u>97</u>	<u>16,001</u>
Total Expenditures	<u>16,098</u>	<u>16,098</u>	<u>97</u>	<u>16,001</u>
Net Change in Fund Balance	(15,988)	(15,988)	179	16,167
Fund Balance at Beginning of Year	<u>15,988</u>	<u>15,988</u>	<u>15,988</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,167</u></u>	<u><u>\$ 16,167</u></u>

See Independent Auditor's Report

STATISTICAL SECTION

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West Chester Township
Statistical Section

This is part of the Township’s comprehensive annual financial report presenting detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township’s overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

Contents	Tables
<p><i>Financial Trends</i> These schedules contain trend information to help understand how the Township’s financial performance and wellbeing have changed over time.</p>	1 – 4
<p><i>Revenue Capacity</i> These schedules contain information to help assess the Township’s most significant local revenue source.</p>	5 – 8
<p><i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the Township’s current levels of outstanding debt and the Township’s ability to issue additional debt in the future.</p>	9 – 12
<p><i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment the Township’s financial activities take place in.</p>	13 – 14
<p><i>Operating Information</i> These Schedules contain service and infrastructure data to help the reader understand how the information in the Township’s financial reports relates to the services the Township provides and the activities it performs.</p>	15 – 17

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

West Chester Township
Butler County, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in Capital Assets	\$92,614,448	\$82,372,050	\$77,127,238	\$72,019,960	\$65,269,341	\$62,381,706	\$60,183,589	\$55,505,062	\$52,779,552	\$49,896,492
Restricted:										
Public Safety	-	-	-	-	-	-	-	-	-	23,535,857
Capital Projects	-	-	-	-	-	-	-	722,608	205,973	6,418,414
Debt Service	-	-	-	-	-	-	-	-	-	9,362,446
Tax Increment Financing Districts	71,251,641	71,746,850	65,069,078	62,193,085	56,083,568	49,570,086	43,634,109	38,454,007	31,606,069	6,977,025
Other Purposes	-	-	-	-	-	-	-	-	6,430,925	3,542,898
Permanent Fund Principal	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-
Police	261,074	-	1,957,163	2,659,597	9,823,912	9,166,518	8,999,388	8,719,380	7,767,373	-
Fire & EMS	487,778	-	779,017	2,721,283	16,922,254	16,467,714	16,375,354	16,410,516	15,045,882	-
Cemetery	-	31,700	21,390	10,149	121,663	140,399	170,483	183,010	-	-
Public Works	3,146,110	4,374,525	5,377,157	2,989,006	4,993,380	4,049,432	3,453,804	3,145,779	-	-
Parks and Recreation	-	-	-	-	-	4,684	4,684	68,442	-	-
Economic Development	-	-	-	-	58,590	75,039	79,352	80,555	-	-
Unrestricted	<u>(11,498,454)</u>	<u>15,530,676</u>	<u>15,947,146</u>	<u>13,685,941</u>	<u>17,035,482</u>	<u>17,687,237</u>	<u>18,147,306</u>	<u>17,930,305</u>	<u>14,556,558</u>	<u>10,001,103</u>
Total Governmental Activities Net Position	<u><u>\$156,267,597</u></u>	<u><u>\$174,060,801</u></u>	<u><u>\$166,283,189</u></u>	<u><u>\$156,284,021</u></u>	<u><u>\$170,313,190</u></u>	<u><u>\$159,547,815</u></u>	<u><u>\$151,053,069</u></u>	<u><u>\$141,224,664</u></u>	<u><u>\$128,397,332</u></u>	<u><u>\$109,734,235</u></u>

Note - the Township implemented GASB 75 in 2018. Net Position for 2017 (and prior years) has not been adjusted for the impact of GASB 75.

Note - the Township implemented GASB 68 in 2015. Net Position for 2014 (and prior years) has not been adjusted for the impact of GASB 68.

See Independent Auditor's Report

Table 2

West Chester Township
Butler County, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
General Government	\$3,955,252	\$3,689,042	\$3,629,363	\$3,832,923	\$3,545,599	\$3,505,885	\$3,569,602	\$3,695,941	\$3,405,579	\$3,502,126
Public Safety										
Police	15,748,341	16,212,738	14,381,491	12,537,137	13,194,111	13,515,446	13,784,747	14,539,533	13,714,991	13,243,047
Fire and Emergency Medical Services	15,310,523	13,905,125	14,815,205	12,752,169	12,251,044	11,955,910	12,272,983	11,464,369	11,051,091	10,015,840
Public Works	9,124,430	5,751,115	5,489,951	5,478,941	5,684,595	5,156,575	6,064,365	5,408,397	5,133,245	4,361,108
Cemetery	273,427	291,049	268,808	236,380	254,151	326,166	298,287	312,165	306,926	287,979
Parks and Recreation	891,292	991,133	883,721	937,884	1,013,124	918,292	794,996	802,269	731,399	987,080
Planning and Zoning	784,907	752,863	704,235	640,709	668,387	763,607	778,756	785,765	902,181	874,653
Economic Development	59,150	18,039	41,962	29,269	30,890	28,114	30,755	22,160	57,046	43,616
Community Television	631,924	523,334	419,996	329,011	319,856	237,234	295,799	327,264	337,480	376,493
Payments to Schools	4,236,762	3,975,777	3,700,289	3,437,550	3,927,808	3,354,497	3,122,393	3,434,272	3,104,424	-
Interest and Fiscal Charges	1,313,731	1,465,983	2,108,498	2,089,710	2,263,945	2,419,107	2,653,662	2,977,366	3,356,025	3,638,918
<i>Total Governmental Activities Expenses</i>	<u>52,329,739</u>	<u>47,576,198</u>	<u>46,443,519</u>	<u>42,301,683</u>	<u>43,153,510</u>	<u>42,180,833</u>	<u>43,666,345</u>	<u>43,769,501</u>	<u>42,100,387</u>	<u>37,330,860</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	434,932	291,002	423,787	288,086	260,446	336,147	261,512	423,163	456,298	438,719
Public Safety										
Police	834,098	585,951	587,752	574,308	398,533	352,070	291,347	160,556	220,426	237,636
Fire and Emergency Medical Services	1,119,932	1,109,941	1,151,915	1,045,852	1,195,538	855,152	1,077,908	1,419,119	1,194,821	1,172,990
Public Works	15,338	44,086	24,498	26,465	1,930	3,496	3,587	9,066	25,149	31,993
Cemetery	56,861	48,443	64,651	45,118	65,594	80,416	70,924	125,483	123,193	131,980
Parks and Recreation	101,591	110,395	113,450	101,905	106,525	104,345	82,606	57,715	59,733	37,589
Community Television	570,697	627,535	585,141	573,408	432,392	595,160	705,859	535,256	528,158	513,052
Subtotal - Charges for Services	<u>3,133,449</u>	<u>2,817,353</u>	<u>2,951,194</u>	<u>2,655,142</u>	<u>2,460,958</u>	<u>2,326,786</u>	<u>2,493,743</u>	<u>2,730,358</u>	<u>2,607,778</u>	<u>2,563,959</u>
Operating Grants and Contributions:										
General Government	10,160	8,474	18,309	16,296	76,150	64,288	368,214	46,958	377,145	263,956
Public Safety										
Police	58,334	63,711	23,174	16,817	54,795	85,787	20,179	51,066	70,383	4,162
Fire and Emergency Medical Services	3,284	42,723	767	2,733	1,835	7,099	2,500	6,592	5,882	5,000
Public Works	523,101	502,231	506,875	494,817	490,499	310,937	456,912	335,681	311,670	320,928
Cemetery	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-	-	-
Economic Development	36,500	41,000	19,932	11,000	19,000	21,067	27,500	-	-	40,149
Community Television	-	-	-	1,101	-	-	-	-	-	-
Subtotal - Operating Grants and Contributions	<u>631,379</u>	<u>658,139</u>	<u>569,057</u>	<u>542,764</u>	<u>642,279</u>	<u>489,178</u>	<u>875,305</u>	<u>440,297</u>	<u>765,080</u>	<u>634,195</u>

West Chester Township
Butler County, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Capital Grants and Contributions:										
General Government	-	-	-	-	-	-	-	165,000	454,184	-
Public Safety										
Police	-	-	-	-	-	-	-	2,522	6,300	4,200
Public Works	-	-	2,288,128	-	584,186	-	-	-	-	-
Parks and Recreation	-	-	-	-	22,600	58,740	368,174	195,903	656,171	299,435
Subtotal - Capital Grants and Contributions	-	-	2,288,128	-	606,786	58,740	368,174	363,425	1,116,655	303,635
<i>Total Governmental Activities Program Revenues</i>	<u>3,764,828</u>	<u>3,475,492</u>	<u>5,808,379</u>	<u>3,197,906</u>	<u>3,710,023</u>	<u>2,874,704</u>	<u>3,737,222</u>	<u>3,534,080</u>	<u>4,489,513</u>	<u>3,501,789</u>
Net (Expense)/Revenue										
Governmental Activities	<u>(48,564,911)</u>	<u>(44,100,706)</u>	<u>(40,635,140)</u>	<u>(39,103,777)</u>	<u>(39,443,487)</u>	<u>(39,306,129)</u>	<u>(39,929,123)</u>	<u>(40,235,421)</u>	<u>(37,610,874)</u>	<u>(33,829,071)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for:										
General Purposes	1,435,670	1,318,026	1,308,234	1,263,254	1,292,235	1,755,877	1,736,856	1,816,993	1,768,348	1,770,577
Public Works	1,955,984	1,872,442	1,786,047	1,769,997	1,788,191	1,236,356	1,228,330	1,330,038	1,303,246	1,184,589
Public Safety - Police	11,724,918	11,395,685	11,290,823	10,983,563	11,319,561	10,954,956	10,881,866	11,787,425	9,631,848	8,408,683
Public Safety - Fire	10,049,930	9,767,730	9,684,325	9,418,659	9,691,755	9,390,032	9,346,428	9,743,871	9,397,570	8,269,447
Payments in Lieu of Taxes	20,850,502	19,455,217	18,887,974	17,634,599	18,279,749	17,302,158	16,220,520	18,172,668	22,169,608	10,988,357
Permissive Taxes	1,241,829	1,161,037	1,167,455	999,500	886,302	830,444	799,439	803,037	774,830	608,573
Grants and Contributions not restricted to specific programs	5,696,822	5,635,834	5,892,730	5,986,485	6,151,269	5,966,172	7,152,318	8,296,103	9,644,421	8,055,479
Unrestricted Investment Earnings	2,224,045	1,272,347	616,720	863,958	671,985	119,422	649,553	763,686	1,111,840	968,761
Miscellaneous	-	-	-	-	127,815	245,458	234,818	348,932	472,260	245,394
<i>Total Governmental Activities</i>	<u>55,179,700</u>	<u>51,878,318</u>	<u>50,634,308</u>	<u>48,920,015</u>	<u>50,208,862</u>	<u>47,800,875</u>	<u>48,250,128</u>	<u>53,062,753</u>	<u>56,273,971</u>	<u>40,499,860</u>
Change in Net Position										
Governmental Activities	<u>\$ 6,614,789</u>	<u>\$ 7,777,612</u>	<u>\$ 9,999,168</u>	<u>\$ 9,816,238</u>	<u>\$ 10,765,375</u>	<u>\$ 8,494,746</u>	<u>\$ 8,321,005</u>	<u>\$ 12,827,332</u>	<u>\$ 18,663,097</u>	<u>\$ 6,670,789</u>

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333,122
Unreserved	-	-	-	-	-	-	-	-	-	9,463,533
Nonspendable	158,460	191,981	189,777	151,324	146,667	163,814	140,204	167,083	154,073	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	9,289,967	8,061,196	7,206,660	6,738,769	6,087,168	5,367,523	4,803,465	3,381,532	1,353,659	-
Assigned	120,510	194,249	195,373	119,257	105,635	88,719	142,498	511,629	313,686	-
Unassigned	10,176,409	9,905,148	10,026,430	10,225,195	11,004,597	11,693,820	12,355,795	11,378,698	10,756,245	-
Total General Fund	<u>19,745,346</u>	<u>18,352,574</u>	<u>17,618,240</u>	<u>17,234,545</u>	<u>17,344,067</u>	<u>17,313,876</u>	<u>17,441,962</u>	<u>15,438,942</u>	<u>12,577,663</u>	<u>10,796,655</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	4,521,111
Unreserved, Undesignated, Reported in:										
Special Revenue funds	-	-	-	-	-	-	-	-	-	35,372,061
Debt Service funds	-	-	-	-	-	-	-	-	-	9,362,446
Capital Projects funds	-	-	-	-	-	-	-	-	-	4,356,807
Nonspendable	1,913,212	1,381,493	560,534	332,736	935,630	555,850	342,642	511,805	2,376,709	-
Restricted	98,877,146	100,313,205	94,977,042	91,990,196	86,265,349	78,862,339	71,861,592	66,169,609	58,861,558	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(2,052,790)	(584,186)	-	-	(519,464)	(169,461)	-
Total All Other Governmental Funds	<u>100,790,358</u>	<u>101,694,698</u>	<u>95,537,576</u>	<u>90,270,142</u>	<u>86,616,793</u>	<u>79,418,189</u>	<u>72,204,234</u>	<u>66,161,950</u>	<u>61,068,806</u>	<u>53,612,425</u>
Total Governmental Funds	<u>\$ 120,535,704</u>	<u>\$ 120,047,272</u>	<u>\$ 113,155,816</u>	<u>\$ 107,504,687</u>	<u>\$ 103,960,860</u>	<u>\$ 96,732,065</u>	<u>\$ 89,646,196</u>	<u>\$ 81,600,892</u>	<u>\$ 73,646,469</u>	<u>\$ 64,409,080</u>

Note - The Township adopted GASB 54 in 2010.

See Independent Auditor's Report

Table 4

West Chester Township
Butler County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property and Other Taxes	\$ 26,464,186	\$ 25,625,097	\$ 25,331,483	\$ 24,650,568	\$ 24,756,371	\$ 24,464,491	\$ 24,104,385	\$ 25,329,459	\$ 22,671,034	\$ 23,604,559
Charges for Services	1,840,036	1,499,383	1,608,817	1,551,371	1,513,284	1,129,305	1,413,214	1,316,423	1,458,732	1,433,195
Licenses and Permits	945,031	841,228	1,009,562	852,409	902,053	748,856	1,080,040	904,846	894,331	886,905
Fines and Forfeitures	200,245	257,700	231,683	271,876	175,149	310,210	287,034	180,361	268,850	257,550
Intergovernmental	5,677,594	5,727,359	5,839,536	5,982,661	6,121,151	6,470,459	8,182,659	9,605,095	9,657,093	8,610,240
Special Assessments	759,783	725,159	513,487	495,190	453,148	457,076	553,412	459,040	444,435	465,188
Interest	2,208,015	1,243,188	601,573	865,045	760,032	321,365	1,199,870	696,385	656,036	638,896
Payments in Lieu of Taxes	20,850,502	19,455,217	18,887,974	17,634,599	18,279,749	17,302,158	16,220,520	18,172,668	22,169,608	13,535,793
Contributions and Donations	42,634	43,857	23,457	17,952	79,486	72,601	34,085	36,512	374,032	54,188
Other	142,096	98,177	139,492	568,278	114,964	240,224	309,371	224,985	469,055	392,187
Total Revenues	59,130,122	55,516,365	54,187,064	52,889,949	53,155,387	51,516,745	53,384,590	56,925,774	59,063,206	49,878,701
Expenditures										
Current:										
General Government	2,969,273	2,775,345	2,854,232	3,144,877	2,937,702	2,887,806	2,823,055	3,159,669	2,883,939	3,211,846
Public Safety:										
Police	13,503,330	13,199,098	12,805,712	12,284,226	12,481,277	12,835,409	12,876,981	13,329,275	12,901,535	12,409,422
Fire & EMS	12,171,765	12,207,268	12,017,187	11,968,172	11,595,666	11,273,152	11,211,694	11,429,411	9,603,700	9,552,345
Public Works	2,795,900	2,490,713	2,469,320	2,697,612	2,700,223	2,198,265	2,395,595	2,573,973	2,985,639	2,868,633
Cemetery	235,539	235,741	237,082	227,523	245,101	304,826	279,695	274,839	271,104	242,334
Parks and Recreation	362,025	474,264	436,111	513,460	551,950	467,932	529,039	543,889	515,970	733,299
Planning and Zoning	717,667	639,847	671,506	657,254	692,580	764,418	768,852	783,293	902,181	869,923
Economic Development	53,807	19,242	25,806	26,461	27,725	25,380	28,883	18,752	40,218	42,998
Community Television	459,732	452,102	383,001	327,017	308,380	245,737	283,171	285,127	290,209	350,181
Payments to Schools	4,236,762	3,975,777	3,700,289	3,437,550	3,927,808	3,427,705	3,122,393	3,434,272	3,104,424	2,547,436
Capital Outlay	7,676,478	5,241,935	6,658,129	6,812,792	3,251,368	2,386,562	3,423,546	5,681,033	7,135,399	18,206,852
Debt Service										
Principal Retirement	12,090,000	5,345,000	6,563,779	5,140,000	4,975,000	5,190,000	5,100,000	4,660,000	4,185,000	3,950,000
Interest and Fiscal Charges	1,386,352	1,568,577	2,156,217	2,109,178	2,244,663	2,437,344	2,535,161	2,911,795	3,286,797	3,707,085
Refunding Bond Issuance Costs	-	-	-	-	-	-	151,344	-	200,551	-
Total Expenditures	58,658,630	48,624,909	50,978,371	49,346,122	45,939,443	44,444,536	45,529,409	49,085,328	48,306,666	58,692,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	471,492	6,891,456	3,208,693	3,543,827	7,215,944	7,072,209	7,855,181	7,840,446	10,756,540	(8,813,653)
Other Financing Sources (Uses)										
Issuance of Debt	-	-	1,785,000	-	-	-	-	-	-	8,990,000
Premiums from Bonds Issued	-	-	315,000	-	-	-	-	-	-	86,192
Premium on Refunding Bonds	-	-	3,124,480	-	-	-	454,588	-	186,730	-
Payment to Refunded Bond Escrow Agent	-	-	(20,797,044)	-	-	-	(7,535,000)	-	(11,760,000)	-
Advance Refunding Escrow	-	-	-	-	-	-	(718,450)	-	(660,881)	-
Proceeds from Sale of Capital Assets	16,940	-	-	-	12,851	13,660	33,985	113,977	-	19,883
Refunding Bonds Issued	-	-	18,015,000	-	-	-	7,955,000	-	10,715,000	-
Premiums from Notes Issued	-	-	-	-	-	-	-	-	-	-
Transfers In	1,750,000	1,750,000	1,700,000	4,200,000	1,598,231	1,475,798	1,442,042	150,000	2,694,886	1,770,000
Transfers Out	(1,750,000)	(1,750,000)	(1,700,000)	(4,200,000)	(1,598,231)	(1,475,798)	(1,442,042)	(150,000)	(2,694,886)	(1,770,000)
Proceeds from Sale of Land	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	16,940	-	2,442,436	-	12,851	13,660	190,123	113,977	(1,519,151)	9,096,075
Net Change in Fund Balances	\$ 488,432	\$ 6,891,456	\$ 5,651,129	\$ 3,543,827	\$ 7,228,795	\$ 7,085,869	\$ 8,045,304	\$ 7,954,423	\$ 9,237,389	\$ 282,422
Debt Service as a Percentage of Noncapital Expenditures	24.62%	15.91%	19.48%	16.96%	16.81%	18.07%	17.89%	17.70%	17.90%	19.29%

See Independent Auditor's Report

Table 5

West Chester Township
Butler County, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years
(Unaudited)

Tax Year	Real Property				Public Utility and Tangible Personal Property		Total		Township Total Direct Rate Effective Rate	
	Personal/Agriculture		Commercial/ Industrial		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Residential	Commercial
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value						
2018	1,369,357,370	3,912,449,629	587,502,660	1,678,579,029	83,416,830	94,791,852 ¹	2,040,276,860	5,685,820,510	13.5363	13.1235
2017	1,357,852,910	3,879,579,743	533,098,300	1,523,138,000	77,494,520	88,061,955 ¹	1,968,445,730	5,490,779,698	13.5519	14.0384
2016	1,251,334,820	3,575,242,343	509,608,810	1,456,025,171	69,457,030	78,928,443 ¹	1,830,400,660	5,110,195,957	14.4411	14.3955
2015	1,238,794,610	3,539,413,171	501,263,180	1,432,180,514	68,296,740	77,609,932 ¹	1,808,354,530	5,049,203,617	14.4678	14.3188
2014	1,226,522,360	3,504,349,600	491,867,630	1,405,336,086	65,942,910	74,935,125 ¹	1,784,332,900	4,984,620,811	14.5900	14.5900
2013	1,208,512,120	3,452,891,771	507,443,630	1,449,838,943	62,052,300	70,513,977 ¹	1,778,008,050	4,973,244,691	14.5900	14.5900
2012	1,205,097,480	3,443,135,657	512,149,280	1,463,283,657	57,494,080	65,334,182 ¹	1,774,740,840	4,971,753,496	14.5900	14.5900
2011	1,201,138,940	3,431,825,543	528,358,200	1,509,594,857	55,203,620	62,731,386	1,784,700,760	5,004,151,786	14.5900	14.5900
2010	1,261,502,140	3,604,291,829	577,287,300	1,649,392,286	53,302,755	90,969,402	1,892,092,195	5,344,653,517	14.4191	14.2620
2009	1,255,880,200	3,588,229,143	657,554,350	1,878,726,714	50,358,870	85,792,868	1,963,793,420	5,552,748,725	13.0281	13.1657

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

Source: Butler County Auditor

¹ Using the .88 percent calculation as was used in 2011

See Independent Auditor's Report

Table 6

West Chester Township, Butler County
Property Tax Rates - Direct and Overlapping Governments (Per \$1,00 of Assessed Valuation)
Last Ten Years
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Millage	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900
Overlapping Rates by Taxing District										
Township										
Residential/Agricultural Real	\$ 13.5363	\$ 13.5519	\$ 14.4411	\$ 14.4678	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.4191	\$ 13.0281
Commerical/Industrial and Public Utility Real	\$ 13.1235	\$ 14.0384	\$ 14.3955	\$ 14.3188	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.2620	\$ 13.1657
General Business and Public Utility Personal	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900	\$ 14.5900
School District										
Residential/Agricultural Real	\$ 38.4074	\$ 39.5288	\$ 42.0421	\$ 42.3225	\$ 45.5049	\$ 44.0128	\$ 38.6936	\$ 38.6688	\$ 37.2277	\$ 36.6835
Commerical/Industrial and Public Utility Real	\$ 43.6240	\$ 48.0930	\$ 49.3945	\$ 49.1048	\$ 49.8408	\$ 49.7508	\$ 44.2182	\$ 43.3290	\$ 40.3078	\$ 38.4555
General Business and Public Utility Personal	\$ 69.1400	\$ 70.1400	\$ 70.1400	\$ 70.1400	\$ 71.1400	\$ 71.1400	\$ 65.8400	\$ 65.8400	\$ 65.8400	\$ 65.3400
County										
Residential/Agricultural Real	\$ 8.6041	\$ 8.6122	\$ 9.1092	\$ 9.1243	\$ 9.1308	\$ 9.0935	\$ 9.0855	\$ 9.0774	\$ 8.9509	\$ 8.8852
Commerical/Industrial and Public Utility Real	\$ 8.9799	\$ 9.3226	\$ 9.5663	\$ 9.5441	\$ 9.5638	\$ 9.5548	\$ 9.5512	\$ 9.5426	\$ 9.2112	\$ 8.9684
General Business and Public Utility Personal	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7200	\$ 9.7450
Butler Tech JVS										
Residential/Agricultural Real	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300
Commerical/Industrial and Public Utility Real	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300
General Business and Public Utility Personal	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300	\$ 1.9300
Metroparks										
Residential/Agricultural Real	\$ 0.6490	\$ 0.6498	\$ 0.6981	\$ 0.4996	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ -
Commerical/Industrial and Public Utility Real	\$ 0.6463	\$ 0.6777	\$ 0.7000	\$ 0.4987	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ -
General Business and Public Utility Personal	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ -
Middletown Public Library										
Residential/Agricultural Real	\$ 0.6833	\$ 0.6857	\$ 0.7434	\$ 0.7473	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ -
Commerical/Industrial and Public Utility Real	\$ 0.6816	\$ 0.7246	\$ 0.7496	\$ 0.7421	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ -
General Business and Public Utility Personal	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ -
Total all Districts										
Residential/Agricultural Real	\$ 63.8100	\$ 64.9584	\$ 68.9639	\$ 69.0915	\$ 72.4057	\$ 70.8764	\$ 65.5491	\$ 65.5162	\$ 63.7777	\$ 60.5268
Commerical/Industrial and Public Utility Real	\$ 68.9853	\$ 74.7863	\$ 76.7360	\$ 76.1385	\$ 77.1746	\$ 77.0755	\$ 71.5394	\$ 70.6416	\$ 66.9610	\$ 62.5196
General Business and Public Utility Personal	\$ 96.8300	\$ 97.8300	\$ 97.8300	\$ 97.6300	\$ 98.6300	\$ 98.6300	\$ 93.3300	\$ 93.3300	\$ 93.3300	\$ 91.6050

Source: Butler County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table (Table 5) generated the property tax revenue billed in that year.
The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

See Independent Auditor's Report

Table 7

West Chester Township
Butler County, Ohio
Principal Taxpayers - Real Estate Tax
2018 and 2009
(Unaudited)

2018		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Duke Energy Ohio Inc.	\$ 83,109,540	4.07 %
LIT Industrial LTD Partnership	22,263,500	1.09
Duke Realty Ohio	14,178,370	0.69
First Industrial LP	10,067,860	0.49
Lesaint Venture LLC	9,785,930	0.48
IC Industrial Sideco LLC	9,015,980	0.44
Continental 323 Fund LLC	8,445,630	0.41
Landings at Beckett Ridge LLC	7,365,440	0.36
Amylin Ohio LLC	6,841,700	0.34
Union Station of West Chester	6,829,230	0.33
Total	<u>\$ 177,903,180</u>	<u>8.70 %</u>
Total Assessed Valuation	<u>\$2,040,276,860</u>	
2009		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Duke Energy Ohio Inc.	\$ 60,041,050	3.11 %
Dugan Financing LLC	30,844,410	1.60
Duke Realty Ohio	21,391,550	1.11
Industrial Developments Intl	8,103,920	0.42
Dugan Realty	7,685,100	0.40
Security Capital	6,502,540	0.34
Landings At Beckett Ridge	6,439,290	0.33
Drees Co	6,141,570	0.32
Union Station of West Chester LLC	5,990,010	0.31
Port Union LLC	5,888,220	0.30
Total	<u>\$ 159,027,660</u>	<u>8.24 %</u>
Total Assessed Valuation	<u>\$ 1,932,739,500</u>	

Source: Butler County Auditor

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

See Independent Auditor's Report

Table 8

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

Collection Year	Total Tax Levy for Year	Collected Within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected (1)	Percentage of Levy		Amount Collected	Percentage of Levy
2009	24,502,385	23,455,477	95.73%	719,143	24,174,620	98.66%
2010	25,706,672	24,196,564	94.13%	555,666	24,752,230	96.29%
2011	27,177,140	26,063,374	95.90%	984,460	27,047,834	99.52%
2012	26,038,784	25,081,962	96.33%	151,434	25,233,396	96.91%
2013	26,675,049	25,272,121	94.74%	343,670	25,615,791	96.03%
2014	25,941,137	25,352,259	97.73%	512,374	25,864,633	99.71%
2015	25,893,422	25,390,408	98.06%	691,749	26,082,157	100.73%
2016	26,096,511	25,617,607	98.16%	600,466	26,218,073	100.47%
2017	26,420,114	25,992,795	98.38%	510,832	26,503,627	100.32%
2018	27,463,093	26,609,980	96.89%	602,884	27,212,864	99.09%

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

Note - Current information on delinquent taxes by tax levy year is presently unavailable. We are working with the County Auditor's Office to track and report this information in future tables.

Source: Butler County Auditor

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years
(Unaudited)

Year	Population (1)	Governmental Activities				Total Debt (3)	Percentage of Personal Income	Per Capita
		General Obligation Bonds	Revenue Bonds	Gross Bonded Debt (2)	Notes Payable			
2018	64,237	\$ 23,458,753	\$ -	\$ 23,458,753	\$ -	\$ 23,458,753	0.82%	\$ 365.19
2017	63,597	\$ 36,039,862	\$ -	\$ 36,039,862	\$ -	\$ 36,039,862	1.39%	\$ 566.69
2016	61,094	\$ 41,744,288	\$ -	\$ 41,744,288	\$ -	\$ 41,744,288	1.70%	\$ 683.28
2015	60,682	\$ 45,267,824	\$ -	\$ 45,267,824	\$ -	\$ 45,267,824	1.96%	\$ 745.98
2014	60,533	\$ 50,520,760	\$ -	\$ 50,520,760	\$ -	\$ 50,520,760	2.19%	\$ 834.60
2013	61,449	\$ 54,415,000	\$ -	\$ 54,415,000	\$ -	\$ 54,415,000	2.53%	\$ 885.53
2012	62,582	\$ 59,605,000	\$ -	\$ 59,605,000	\$ -	\$ 59,605,000	2.50%	\$ 952.43
2011	60,958	\$ 64,285,000	\$ -	\$ 64,285,000	\$ -	\$ 64,285,000	2.95%	\$ 1,054.58
2010	60,958	\$ 68,945,000	\$ -	\$ 68,945,000	\$ -	\$ 68,945,000	3.31%	\$ 1,131.02
2009	62,775	\$ 74,175,000	\$ -	\$ 74,175,000	\$ -	\$ 74,175,000	3.47%	\$ 1,181.60

(1)

(a) Years 2009 Hamilton County Regional Planning Commission

(b) Years 2010-2011 - 2010 Federal Census

(c) Years 2012-2018 - Sites USA

(2)

(a) Sum of General Obligation Bonds and Revenue Bonds

(3)

(a) Sum of Gross Bonded Debt and Notes Payable

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Ratio of Gross Bonded Debt and Net Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years
(Unaudited)

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Gross Bonded Debt to Estimated Actual Value of Taxable Property	Gross Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2018	64,237	\$ 5,685,820,510	\$ 23,458,753	\$ 23,458,753	0.41%	\$ 365.19	0.41%	\$ 365.19
2017	63,597	\$ 5,490,779,698	\$ 36,039,862	\$ 36,039,862	0.66%	\$ 566.69	0.66%	\$ 566.69
2016	61,094	\$ 5,110,195,957	\$ 41,744,288	\$ 41,744,288	0.82%	\$ 683.28	0.82%	\$ 683.28
2015	60,682	\$ 5,049,203,617	\$ 45,267,824	\$ 45,267,824	0.90%	\$ 745.98	0.90%	\$ 745.98
2014	60,533	\$ 4,984,620,811	\$ 50,520,760	\$ 50,520,760	1.01%	\$ 834.60	1.01%	\$ 834.60
2013	61,449	\$ 4,973,244,691	\$ 54,415,000	\$ 54,415,000	1.09%	\$ 885.53	1.09%	\$ 885.53
2012	62,582	\$ 4,971,753,496	\$ 59,605,000	\$ 59,605,000	1.20%	\$ 952.43	1.20%	\$ 952.43
2011	60,958	\$ 5,004,151,786	\$ 64,285,000	\$ 64,285,000	1.28%	\$ 1,054.58	1.28%	\$ 1,054.58
2010	60,958	\$ 5,344,653,517	\$ 68,945,000	\$ 68,945,000	1.29%	\$ 1,131.02	1.29%	\$ 1,131.02
2009	62,775	\$ 5,552,748,725	\$ 74,175,000	\$ 74,175,000	1.34%	\$ 1,181.60	1.34%	\$ 1,181.60

Sources:

- (1)
 - (a) Years 2009 Hamilton County Regional Planning Commission
 - (b) Years 2010-2011 - 2010 Federal Census
 - (c) Years 2012-2018 - Sites USA
- (2) Butler County Auditor
- (3) Includes all general obligation bonded debt and revenue bonded debt

See Independent Auditor's Report

Table 11

West Chester Township
Butler County, Ohio
Computation of Direct and Overlapping General Obligation Debt
December 31, 2018
(Unaudited)

Jurisdiction	Net Debt Outstanding	Percentage Applicable To Township (1)	Amount Applicable To Township
DIRECT DEBT			
West Chester Township	\$ 36,039,862	100.00%	<u>\$ 36,039,862</u>
OVERLAPPING DEBT			
Butler County	33,539,290	24.38%	8,176,879
Mason City School District	58,765,000	0.27%	158,666
Princeton City School District	163,489,482	3.58%	5,852,923
Lakota Local School District	101,665,000	65.14%	66,224,581
Butler Technology & Career Development	8,035,000	21.74%	1,746,809
Great Oaks Institute of Technology and Career Development	3,105,000	0.30%	<u>9,315</u>
Total Overlapping Debt			<u>82,169,173</u>
Total Direct and Overlapping Debt			<u><u>\$ 118,209,035</u></u>

Source: Ohio Municipal Advisory Council (OMAC)

Note (1):

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the Township's boundaries and dividing by the county's total taxable assessed value.

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Legal Debt Margin
Last Ten Years
(Unaudited)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Assessed Property Value	\$ 1,960,570,490	\$ 1,890,480,730	\$ 1,784,700,760	\$ 1,774,740,840	\$ 1,778,080,050	\$ 1,784,332,900	\$ 1,808,354,530	\$ 1,830,400,660	\$ 1,968,445,730	\$ 2,040,276,860
<u>10-1/2% Limitation</u>										
Overall Debt Limitation -10-1/2% of Assessed Valuation	\$ 205,859,901	\$ 198,500,477	\$ 187,393,580	\$ 186,347,788	\$ 186,690,845	\$ 187,354,955	\$ 189,877,226	\$ 192,192,063	\$ 206,686,802	\$ 214,229,070
Gross Indebtedness	74,175,000	68,945,000	64,285,000	59,605,000	54,415,000	51,940,000	46,650,000	37,920,000	32,575,000	20,485,000
Less Debt Outside Limitations	-	-	-	-	-	-	-	-	-	-
Debt Within 10-1/2% Limitation	74,175,000	68,945,000	64,285,000	59,605,000	54,415,000	51,940,000	46,650,000	37,920,000	32,575,000	20,485,000
Less Debt Service Fund Balance Available	9,362,446	9,685,128	8,832,094	9,777,800	8,143,964	7,711,230	7,910,248	8,855,639	8,842,377	4,137,269
Net Debt Within 10-1/2% Limitation	64,812,554	59,259,872	55,452,906	49,827,200	46,271,036	44,228,770	38,739,752	29,064,361	23,732,623	16,347,731
Legal Debt Margin Within 10-1/2% Limitation	<u>\$ 141,047,347</u>	<u>\$ 139,240,605</u>	<u>\$ 131,940,674</u>	<u>\$ 136,520,588</u>	<u>\$ 140,419,809</u>	<u>\$ 143,126,185</u>	<u>\$ 151,137,474</u>	<u>\$ 163,127,702</u>	<u>\$ 182,954,179</u>	<u>\$ 197,881,339</u>
<u>5-1/2% Limitation</u>										
Unvoted Debt Limitation -5-1/2% of Assessed Valuation	\$ 107,831,377	\$ 103,976,440	\$ 98,158,542	\$ 97,610,746	\$ 97,794,403	\$ 98,138,310	\$ 99,459,499	\$ 100,672,036	\$ 108,264,515	\$ 112,215,227
Gross Indebtedness	74,175,000	68,945,000	64,285,000	59,605,000	54,415,000	51,940,000	46,650,000	37,920,000	32,575,000	20,485,000
Less Debt Outside Limitations	-	-	-	-	-	-	-	-	-	-
Debt Within 5-1/2% Limitation	74,175,000	68,945,000	64,285,000	59,605,000	54,415,000	51,940,000	46,650,000	37,920,000	32,575,000	20,485,000
Less Debt Service Fund Balance Available	9,362,446	9,685,128	8,832,094	9,777,800	8,143,964	7,711,230	7,910,248	8,855,639	8,842,377	4,137,269
Net Debt Within 5-1/2% Limitation	64,812,554	59,259,872	55,452,906	49,827,200	46,271,036	44,228,770	38,739,752	29,064,361	23,732,623	16,347,731
Legal Debt Margin Within 5-1/2% Limitation	<u>\$ 43,018,823</u>	<u>\$ 44,716,568</u>	<u>\$ 42,705,636</u>	<u>\$ 47,783,546</u>	<u>\$ 51,523,367</u>	<u>\$ 53,909,540</u>	<u>\$ 60,719,747</u>	<u>\$ 71,607,675</u>	<u>\$ 84,531,892</u>	<u>\$ 95,867,496</u>
See Independent Auditor's Report										

Table 13

West Chester Township
Butler County, Ohio
Demographic and Economic Statistics
Last Ten Years
(Unaudited)

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (5)	Butler County Unemployment Rate (2)	Average Sales Price of Residential Property (3)	Total Assessed Property Value (6)
2018	64,237	\$2,844,414,360	\$44,280	\$94,810	38.6	47.4%	16,500	4.2%	\$ 281,892	\$2,040,276,860
2017	63,597	\$2,596,347,525	\$40,825	\$94,437	38.5	47.3%	16,995	4.0%	\$ 270,561	\$1,968,445,730
2016	61,094	\$2,462,332,576	\$40,304	\$93,320	38.5	44.9%	16,585	4.1%	\$ 266,766	\$1,830,400,660
2015	60,682	\$2,310,163,740	\$38,070	\$86,167	38.8	44.2%	16,649	4.2%	\$ 260,272	\$1,808,354,530
2014	60,533	\$2,306,852,097	\$38,109	\$86,439	38.7	44.3%	16,939	3.8%	\$ 249,615	\$1,784,332,900
2013	61,449	\$2,152,497,021	\$35,029	\$85,158	38.4	41.7%	17,083	6.0%	\$ 203,874	\$1,778,008,050
2012	62,582	\$2,379,680,550	\$38,025	\$89,130	38.3	41.6%	17,578	6.0%	\$ 197,635	\$1,774,740,840
2011	60,958	\$2,176,078,684	\$35,698	\$83,637	34.3	41.7%	18,426	7.6%	\$ 193,680	\$1,784,700,760
2010	60,958	\$2,081,837,616	\$34,152	\$81,506	35.7	44.1%	18,458	8.8%	\$ 206,893	\$1,892,092,195
2009	62,775	\$2,140,125,300	\$34,092	\$78,258	36.1	43.7%	18,471	10.9%	\$ 199,195	\$1,963,793,420

(1)

(a) Years 2009 Hamilton County Regional Planning Commission

(b) Years 2010-2011 - 2010 Federal Census

(c) Years 2012-2018 - Sites USA

(2) Source: Ohio Bureau of Labor Market Statistics; unemployment rate for the Township is not available

(3) Source: Ohio Board of Realtors

(4) Source: Computation of per capita personal income multiplied by population

(5) Source: Lakota Local School District

(6) Source: Butler County Auditor

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Ten Largest Employers
Ranked by Number of Full-Time Employees
2018 and 2013
(Unaudited)

2018		
Employer/Description	FTEs	% of Total
1 GE Aviation <i>-Manufactures aircraft engines</i>	2,500	4.5%
2 Lakota School District <i>-Public school district</i>	1,722	3.1%
3 Jagged Peak (formerly Trade Global) <i>-Ecommerce solutions provider for internet, catalog and retail companies</i>	1,088	2.0%
4 West Chester Hospital <i>Full-Service, 160-bed hospital</i>	1,045	1.9%
5 Cornerstone Group <i>Upscale catalog company distribution center</i>	896	1.6%
6 Tyson Foods (formerly Advance Pierre) <i>-Manufactures frozen processed foods</i>	870	1.6%
7 Procter & Gamble <i>-Develops manufacturing systems for new and existing products</i>	558	1.0%
8 Totes Isotoner <i>-Warehouse/distribution facility of Totes brand raingear and related products</i>	450	0.8%
9 AstraZeneca <i>Biotech pharmaceutical manufacturing</i>	410	0.7%
10 IKEA <i>International home furnishings retailer</i>	400	0.7%

Source: West Chester Community Development, January 2019

2013		
Employer/Description	FTEs	% of Total
1 GE Aviation <i>-Manufactures aircraft engines</i>	2,000	4.1%
2 Lakota School District <i>-Public school district</i>	1,827	3.8%
3 Cornerstone Group <i>-Upscale catalog company distribution center</i>	896	1.8%
4 Pierre Frozen Foods <i>-Manufactures frozen processed foods</i>	889	1.8%
5 Procter & Gamble Manufacturing Supply Technology <i>-Develops manufacturing systems for new and existing products</i>	750	1.5%
6 West Chester Medical Center <i>Full-Service, 160-bed hospital</i>	602	1.2%
7 Netrada <i>-3rd party logistics provider for internet and retail companies</i>	500	1.0%
8 Totes Isotoner <i>-Warehouse/distribution facility of Totes brand raingear and related products</i>	450	0.9%
9 IKEA <i>-Home furnishing retailer</i>	400	0.8%
10 Humana/RightsourceRX <i>-Mail order pharmacy</i>	385	0.8%

Source: West Chester Community Development, March 2013

See Independent Auditor's Report

Table 15

West Chester Township
Butler County, Ohio
Full-Time Equivalent Township Employees by Function/Program
Last Ten Years
(Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Council	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	5.0	5.0	6.0	6.0	6.0	5.0	5.0	6.0	6.0	5.0
Administration	26.0	21.5	18.5	19.5	18.0	22.0	21.0	18.0	19.0	21.0
Planning	8.0	9.0	9.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0
Security of Persons and Property										
Police	86.0	88.0	92.0	87.0	85.0	85.0	80.0	82.0	88.0	86.0
Police - Dispatchers/Office/Other	26.0	26.0	25.0	27.0	26.0	27.0	24.0	24.0	20.0	25.5
Fire	95.0	96.0	101.0	102.0	102.0	110.0	92.5	90.5	87.5	89.5
Fire - Secretary - Other	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	3.0
Public Health Services										
Cemetery	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Leisure Time Activities										
Recreation	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	2.0	1.0
Community Development										
Economic Development	3.0	2.0	2.0	2.0	1.0	1.0	2.0	1.0	1.0	1.0
Transportation										
Street M&R	24.0	21.0	21.0	20.0	20.0	20.0	21.5	23.0	23.0	25.0
Totals:	286.0	281.5	287.5	283.5	278.0	289.0	264.0	261.5	260.5	270.0

Source: Township Employee Benefits Department
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

See Independent Auditor's Report

West Chester Township
Butler County, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years
(Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
General Government											
Square Footage Occupied	101,643	101,643	101,643	101,643	101,643	101,643	101,643	101,643	101,643	101,643	101,643
Administrative Vehicles	4	4	4	4	4	4	4	4	4	4	
Police											
Stations	1	1	1	1	1	1	1	1	1	1	
Square Footage of Building	64,661	64,661	64,661	64,661	64,661	64,661	64,661	64,661	64,661	64,661	
Vehicles	82	80	89	80	78	77	79	79	79	78	
Fire											
Stations	5	5	5	5	5	5	5	5	5	5	
Square Footage of Building	64,194	64,914	64,914	64,914	64,914	64,914	64,914	64,914	64,914	64,914	
Vehicles	28	28	28	27	27	27	27	27	26	28	
Recreation											
Number of Parks	6	6	6	6	6	6	6	6	6	6	
Number of Tennis Courts	3	3	3	3	3	3	3	3	3	3	
Number of Baseball Diamonds	6	6	6	6	6	6	6	6	6	6	
Number of Tot Lots	3	3	3	3	3	3	3	3	3	3	
Number of Soccer Fields	4	4	4	4	4	4	4	4	4	4	
Vehicles	5	6	6	5	5	5	5	5	5	5	
Other Public Works											
Streets (miles)	219	219	219	219	219	220	223	223	223	223	
Number of Streetlights:											
General	74	74	74	74	74	74	74	75	75	75	
Beckett Park	19	19	19	19	19	19	19	19	19	19	
Streetscape	N/A	N/A	N/A	N/A	35	35	35	35	67	67	
Residential	939	939	939	939	945	945	962	975	976	979	
Service Vehicles	42	42	42	47	47	47	47	50	51	56	

Source: Respective Township Departments

See Independent Auditor's Report

Table 17

West Chester Township
Butler County, Ohio
Operating Indicators by Function/Program
Last Ten Years
(Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Council and Clerk										
Number of Resolutions Passed	27	30	26	21	23	26	35	44	44	27
Number of Zoning docket items	19 cases	19 cases	22 cases	19 cases	16 cases	29 cases	28 cases	26 cases	30 cases	21 cases
Zoning Board of Appeals docket items	38 cases	27 cases	24 cases	21 cases	17 cases	29 cases	25 cases	32 cases	18 cases	8 cases
Finance Department										
Number of checks/ vouchers issued	4,393	4,168	3,684	3,490	3,327	3,458	3,473	3,183	3,206	3,160
Amount of checks written	\$ 51,497,509.32	\$ 33,610,806.82	\$ 32,016,224.33	\$ 28,795,579.45	\$ 28,491,565.39	\$ 31,122,799.58	\$ 36,083,692.69	\$ 36,488,552.00	\$ 34,201,140.00	\$ 40,515,017.62
Interest earnings for fiscal year (cash basis)	\$ 1,132,025.47	\$ 702,931.76	\$ 773,615.36	\$ 1,230,072.40	\$ 624,914.87	\$ 637,429.56	\$ 932,386.57	\$ 982,447.00	\$ 1,416,949.00	\$ 2,057,734.06
Number of Receipts issued	2,950	3,421	3,513	3,765	3,405	3,496	3,536	3,609	3,357	3,317
Number of Journal Entries issued	161	181	427	206	184	283	283	292	265	261
Number of Budget Adjustments issued	185	43	96	78	58	93	58	68	23	31
Agency Ratings - Moody's Financial Services	Aa1	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Health Insurance Costs to General Fund Expenditures	4.88%	4.81%	5.35%	5.13%	6.54%	5.70%	5.71%	5.59%	6.50%	6.67%
General Fund Receipts	\$ 5,959,496.66	\$ 7,408,426.61	\$ 7,492,046.69	\$ 6,942,485.89	\$ 5,749,650.96	\$ 5,537,082.46	\$ 5,569,750.47	\$ 6,134,752.00	\$ 6,050,779.00	\$ 6,575,921.52
General Fund Expenditures	\$ 7,164,068.18	\$ 7,256,522.80	\$ 6,512,826.87	\$ 6,412,965.97	\$ 6,047,124.32	\$ 5,876,542.53	\$ 6,336,571.55	\$ 7,298,798.00	\$ 5,829,732.00	\$ 6,074,403.03
General Fund Cash Balances	\$ 10,762,038.34	\$ 10,954,206.84	\$ 11,870,063.72	\$ 12,294,381.80	\$ 11,790,095.49	\$ 11,232,786.94	\$ 10,491,037.12	\$ 10,292,015.00	\$ 10,214,349.00	\$ 10,510,338.45
Civil Service										
Number of police entry tests administered	2	-	-	-	-	-	72	-	80	78
Number of fire entry tests administered	-	-	-	-	126	-	-	22	-	70
Number of police promotional tests administered	2	1	-	-	-	-	23	-	-	-
Number of hires of Police Officers from certified lists	2	3	2	-	-	-	-	4	5	5
Number of promotions from police certified lists	3	4	-	-	-	-	3	7	1	-
Community Development Indicators										
Number of permits issued	827	824	844	868	883	818	812	997	910	895
Amount of Revenue generated from permits	\$ 97,002.00	\$ 91,332.33	\$ 81,741.71	\$ 90,243.80	\$ 147,203.01	\$ 151,696.24	\$ 115,935.49	\$ 245,268.00	\$ 110,519.00	\$ 122,897.00
Security of Persons & Property										
Police										
Total Calls for Services	46,268	47,775	45,844	42,533	44,531	42,177	40,026	43,244	47,767	46,057
Number of traffic citations issued	2,767	2,578	3,490	1,703	3,518	2,578	2,172	2,563	3,087	2,544
Number of parking citations issued	97	53	59	37	43	37	35	18	20	17
Number of criminal arrests	2,087	1,997	1,932	1,768	1,693	1,933	1,580	1,817	1,701	1,910
Part 1 Offenses (major offenses)	1,651	1,591	1,519	1,403	1,486	1,544	1,594	1,425	1,394	1,365
DUI Arrests	294	257	242	207	204	149	139	138	127	128
Motor Vehicle Accidents	1,698	1,607	1,888	1,782	1,725	1,817	1,992	1,871	1,977	1,938
Property damage accidents	1,327	1,295	1,885	1,463	1,389	1,461	1,611	1,499	1,585	1,604
Fatalities from Motor Vehicle Accidents	3	1	3	1	1	2	6	4	1	4
Gasoline costs of fleet	\$ 153,440.00	\$ 174,265.00	\$ 251,977.34	\$ 263,495.18	\$ 267,117.61	\$ 238,275.50	\$ 152,171.03	\$ 137,102.00	\$ 113,290.00	\$ 140,657.00

Table 17

West Chester Township
Butler County, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years
(Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Security of Persons & Property (continued)										
Fire										
EMS Calls	3,646	3,815	3,810	3,925	3,606	4,128	4,223	4,388	4,644	4,607
Ambulance Billing Collections (net)	\$ 1,107,805.00	\$ 1,195,809.87	\$ 1,128,563.00	\$ 1,165,220.14	\$ 927,590.35	\$ 1,083,216.39	\$ 1,198,462.02	\$ 1,113,475.00	\$ 1,081,614.00	\$ 1,098,591.00
Fire Calls	1,790	1,794	1,605	1,742	1,570	1,830	1,893	1,843	2,035	2,083
Fires with Loss	55	54	66	69	72	81	74	72	59	185
Fires with Losses exceeding \$10K	11	9	8	8	20	24	15	10	14	15
Fire Losses	\$ 872,370.00	\$ 574,755.00	\$ 835,411.00	\$ 851,320.00	\$ 795,291.00	\$ 2,541,693.00	\$ 527,807.00	\$ 333,255.00	\$ 2,413,215.00	\$ 970,399.00
Fire Safety Inspections	2,946	3,407	3,647	3,379	3,337	4,394	3,957	3,887	4,284	4,404
Number of times Mutual Aid given to Fire and EMS	110	135	113	126	85	102	98	75	135	145
Number of times Mutual Aid received for Fire and EMS	81	64	40	34	26	61	69	91	138	197
Public Health and Welfare										
Cemetery burials	56	66	55	46	53	40	32	48	39	51
Cemetery cremations	13	9	9	9	13	16	16	15	8	12
Cemetery sale of lots	68	56	62	16	43	12	3	7	5	3
Cemetery receipts	\$ 136,716.42	\$ 126,281.36	\$ 125,511.00	\$ 70,923.92	\$ 80,416.32	\$ 65,761.52	\$ 46,017.88	\$ 66,081.00	\$ 47,702.00	\$ 56,567.00
Liesure Time Activities										
Recreation										
Shelter rentals	\$ 37,439.00	\$ 59,532.00	\$ 62,082.00	\$ 84,090.00	\$ 104,340.00	\$ 105,475.00	\$ 100,465.00	\$ 113,450.00	\$ 110,395.00	\$ 101,591.00
Basic Utility Services										
Refuse disposal per year (in tons)	25,578	22,869	21,188	21,286	21,407	20,599	20,898	20,286	20,821	21,077
Annual recycling tonnage (excluding leaf, and compost items)	1,968	2,132	2,262	2,264	1,474	2,441	2,506	2,317	2,596	2,447
Percentage of waste recycled	7.69%	9.32%	10.67%	10.64%	11.55%	11.85%	11.99%	11.42%	12.47%	11.61%
Transportation										
Crackseal Coating Program (Miles)	11	19	38	36	37	14	65	47	29	7.89
Street Repair (Curbs, aprons, berms, asphalt) (hours)	17,920	17,475	4,784	2,875	2,985	1,546	1,230	1,178	806	88
Guardrail Repair (hours)	160	288	19.5	-	-	16	-	159	213	30
Paint Striping (hours)	N/A	N/A	320	525	120	160	60	100	40	80
Street Sweeper (hours)	640	509	529	714	504	315	637	407	728	418
Cold Patch (hours)	640	525	474	426	108	607	206	287	118	230
Snow & Ice Removal regular hours	2,152	1,538	1,315	872	1,748	2,141	1,616	828	404	1,502
Snow & Ice Removal overtime hours	2,610	1,390	489.5	717	1,539	2,569	1,830	1,149	301	1,719
Landscaping Stump-Chipper service (hours)	1,000	867	90.5	225	504	964	1,460	840	268	300
Holiday lights setup (hours)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Equipment repair/body shop (hours)	2,800	4,160	3,624	4,656	4,160	3,744	3,723	4,440	4,080	3,792
Sign department (hours)	3,840	3,120	3,400	3,350	3,350	2,432	2,544	3,120	4,972	2,760
Tons of snow melting salt purchased	4,524	4,299	2,687	3,489	728	3,337	4,524	2,269	1,098	3,348
Cost of salt purchased	\$ 282,352.00	\$ 277,227.69	\$ 173,238.38	\$ 234,380.72	\$ 49,167.00	\$ 214,313.00	\$ 301,807.30	\$ 168,312.00	\$ 75,105.00	\$ 196,651.52

Source: Respective Township Departments

See Independent Auditor's Report

West Chester Township

***Independent Auditor's Report on
Internal Control and Compliance***

For the Year Ended December 31, 2018

West Chester Township

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**Independent Auditor's 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 Board of Trustees
West Chester Township, Ohio

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Chester Township, Butler County, Ohio (the "Township") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our reports thereon dated June 19, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-001, that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

The Township's Response to Findings

The Township's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Cincinnati, Ohio
June 19, 2019

**West Chester Township
Schedule of Findings and Responses
December 31, 2018**

Finding Number 2018-001 - Material Weakness - Restatement of Prior Year Net Assets

Criteria

An entity's internal control should be designed to prevent or detect material misstatements in the financial statement assertions. Performing timely and accurate reviews of the financial statements is a key element to maintaining an effective system of internal controls

Condition

During the course of our audit, Township management identified that the pension related deferred inflows of resources, deferred outflows of resources and net position were incorrectly reported at December 31, 2017. This error was not originally identified by the Township's internal control in the prior year in a timely fashion. A description of the restatements required are as follows:

- Deferred outflows were understated by \$1,925,498 in the prior year.
- Deferred inflows were overstated by \$419,289 in the prior year.
- This resulted in a prior period restatement which increased net position at December 31, 2017 by \$2,344,787.

Cause

Prior reviews by management of the deferred inflows and outflows had failed to correct the understatement and overstatement. Throughout the year, the Township maintains its books on the cash basis of accounting and converts its financial statements at year end to generally accepted accounting principles. The restatement was necessary to correct the opening net assets as part of the conversion process.

Effect

A prior period restatement of \$2,344,787 to net position as of December 31, 2017. Failure to review the related balances increases the risk of errors, omissions, fraud, and abuse in the financial statement position.

Recommendation

We recommend that management review and amend its policies and procedures as appropriate to ensure the financial statements are reviewed for accuracy.

Views of Responsible Officials and Planned Corrective Actions

The Township agrees with the finding and wishes to emphasize that it was the Township that originally identified the misstatement and corrected for the misstatement as a prior period adjustment in the 2018 financial statements. Additionally, the misstatement relates solely to the annual conversion of the Township's cash-basis records into a set of accrual-based financial statements and does not relate to the daily accounting of cash receipts and cash disbursements of the Township, which were fully accounted for and reconciled at all times.

**West Chester Township
Schedule of Prior Audit Findings
December 31, 2018**

Schedule of Prior Audit Findings

None Noted

OHIO AUDITOR OF STATE
KEITH FABER



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
SEPTEMBER 5, 2019**