

TOWNSHIP OF CRESCENT



AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

TOWNSHIP OF CRESCENT
ALLEGHENY COUNTY, PENNSYLVANIA

AUDIT OF FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED DECEMBER 31, 2003

TOWNSHIP OF CRESCENT
ALLEGHENY COUNTY, PENNSYLVANIA
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To the Board of Commissioners
Township of Crescent

Independent Auditor's Report

I have audited the accompanying financial statements of the various funds and account groups of the Township of Crescent as of December 31, 2003, and for the year then ended, as listed in the table of contents with the exception of the Township's pension funds. These financial statements are the responsibility of the Township Commissioners. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the combining statement of changes in plan net assets of the Township's pension trust funds (Exhibit D). This latest information on the Township's pension funds is audited by PMRS auditors whose report is forwarded to the Township annually.

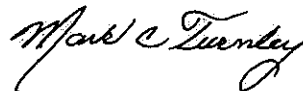
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the Township's policy is to prepare its financial statements on a comprehensive basis of accounting, which demonstrates compliance with the cash basis. This practice differs from generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of the Township of Crescent as of December 31, 2003, and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting as described in Note 1.

The defined benefit trust funds' historical pension information on pages 23-24 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the financial statements of the Township of Crescent taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Mark C. Turnley, CPA

November 4, 2004
Ambridge, Pennsylvania

TOWNSHIP OF CRESCENT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - CASH BASIS
DECEMBER 31, 2003
(PENSION FUNDS - DECEMBER 31, 2002)

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS	POLICE PENSION FUND	UNIFORM PENSION FUND	AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT		
<u>ASSETS</u>										
Cash and cash equivalents	\$ (10,015)	\$ -	\$ -	\$ -	\$ -	\$ 13,441	\$ -	\$ -	\$ -	\$ 3,426
Investments	103	5,416	60,326	429,568	406,423	-	-	-	-	901,836
Prepaid Expenses	14,802	-	-	-	-	-	-	-	-	14,802
Property, plant & equipment	-	-	-	-	-	-	1,276,985	-	-	1,276,985
Amount to be provided for:										
Notes payable	-	-	-	-	-	-	-	190,000	-	190,000
Lease payable	-	-	-	-	-	-	-	25,976	-	25,976
TOTAL ASSETS	\$ 4,890	\$ 5,416	\$ 60,326	\$ 429,568	\$ 406,423	\$ 13,441	\$ 1,276,985	\$ 215,976	\$ -	\$ 2,413,025
<u>LIABILITIES AND FUND EQUITY</u>										
<u>LIABILITIES:</u>										
Other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,441	\$ -	\$ -	\$ -	\$ 13,441
Lease payable	-	-	-	-	-	-	-	25,976	-	25,976
Notes payable	-	-	-	-	-	-	-	190,000	-	190,000
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,441	\$ -	\$ 215,976	\$ -	\$ 229,417
<u>FUND EQUITY:</u>										
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,276,985	\$ -	\$ -	\$ 1,276,985
Net assets held in trust for pension benefits	-	-	-	429,568	406,423	-	-	-	-	835,991
Fund balance - unreserved	4,890	5,416	60,326	-	-	-	-	-	-	70,632
TOTAL FUND EQUITY	\$ 4,890	\$ 5,416	\$ 60,326	\$ 429,568	\$ 406,423	\$ -	\$ 1,276,985	\$ -	\$ -	\$ 2,183,608
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,890	\$ 5,416	\$ 60,326	\$ 429,568	\$ 406,423	\$ 13,441	\$ 1,276,985	\$ 215,976	\$ -	\$ 2,413,025

**TOWNSHIP OF CRESCENT
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUND TYPES - CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	(MEMORANDUM ONLY) TOTAL
RECEIPTS				
Taxes	\$ 631,296	\$ -	\$ -	\$ 631,296
Licenses and Permits	27,654	-	-	27,654
Fines and Forfeitures	12,893	-	-	12,893
Interest and Rents	22,714	180	880	23,774
Intergovernmental	74,272	40,251	225,000	339,523
Charges for Services	148,972	-	-	148,972
Other Financing Sources	197,315	-	11,301	208,616
TOTAL RECEIPTS AND OTHER FINANCING SOURCES	\$ 1,115,116	\$ 40,431	\$ 237,181	\$ 1,392,728
DISBURSEMENTS				
General Government	\$ 207,424	\$ -	\$ 11,400	\$ 218,824
Public Safety	261,634	-	190,983	452,617
Public Works	312,648	33,337	25,238	371,223
Culture and Recreation	21,480	-	11,460	32,940
Debt Service	175,827	-	-	175,827
Miscellaneous	138,872	-	-	138,872
Other Financing Uses	6,575	4,148	36,301	47,024
TOTAL DISBURSEMENTS AND OTHER FINANCING USES	\$ 1,124,460	\$ 37,485	\$ 275,382	\$ 1,437,327
EXCESS RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,344)	\$ 2,946	\$ (38,201)	\$ (44,599)
FUND BALANCE - January 1, 2003	14,234	2,470	98,527	115,231
FUND BALANCE December 31, 2003	\$ 4,890	\$ 5,416	\$ 60,326	\$ 70,632

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
COMPARISON OF BUDGET TO ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2003

	GENERAL FUND			SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	(OVER) UNDER BUDGET	BUDGET	ACTUAL	(OVER) UNDER BUDGET	BUDGET	ACTUAL	(OVER) UNDER BUDGET
RECEIPTS									
Taxes	\$ 581,585	\$ 631,296	\$ (49,711)	\$ -	\$ -	\$ -	\$ 581,585	\$ 631,296	\$ (49,711)
Licenses and Permits	24,750	27,654	(2,904)	-	-	-	24,750	27,654	(2,904)
Fines and Forfeitures	11,000	12,893	(1,893)	-	-	-	11,000	12,893	(1,893)
Interest and Rents	24,750	22,714	2,036	-	180	(180)	24,750	22,894	1,856
Intergovernmental	52,200	74,272	(22,072)	42,781	40,251	2,530	94,981	114,523	(19,542)
Charges for Services	169,500	148,972	20,528	-	-	-	169,500	148,972	20,528
Other Financing Sources	215,500	197,315	18,185	-	-	-	215,500	197,315	18,185
TOTAL RECEIPTS AND OTHER FINANCING SOURCES	\$ 1,079,285	\$ 1,115,116	\$ (35,831)	\$ 42,781	\$ 40,431	\$ 2,350	\$ 1,122,066	\$ 1,155,547	\$ (33,481)
DISBURSEMENTS									
General Government	\$ 191,100	\$ 207,424	\$ (16,324)	\$ -	\$ -	\$ -	\$ 191,100	\$ 207,424	\$ (16,324)
Public Safety	246,250	261,634	(15,384)	-	-	-	246,250	261,634	(15,384)
Public Works	271,600	312,648	(41,048)	42,781	33,337	9,444	314,381	345,985	(31,604)
Culture and Recreation	19,500	21,480	(1,980)	-	-	-	19,500	21,480	(1,980)
Debt Service	208,250	175,827	32,423	-	-	-	208,250	175,827	32,423
Miscellaneous	120,940	138,872	(17,932)	-	-	-	120,940	138,872	(17,932)
Other Financing Uses	17,145	6,575	10,570	-	4,148	(4,148)	17,145	10,723	6,422
TOTAL DISBURSEMENTS AND OTHER FINANCING USES	\$ 1,074,785	\$ 1,124,460	\$ (49,675)	\$ 42,781	\$ 37,485	\$ 5,296	\$ 1,117,566	\$ 1,161,945	\$ (44,379)
EXCESS RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,500	\$ (9,344)	\$ 13,844	\$ -	\$ 2,946	\$ (2,946)	\$ 4,500	\$ (6,398)	\$ 10,898
FUND BALANCE - January 1, 2003	(4,500)	14,234	(18,734)	-	2,470	(2,470)	(4,500)	16,704	(21,204)
FUND BALANCE - December 31, 2003	\$ -	\$ 4,890	\$ (4,890)	\$ -	\$ 5,416	\$ (5,416)	\$ -	\$ 10,306	\$ (10,306)

TOWNSHIP OF CRESCENT
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FIDUCIARY FUND TYPES (PENSION TRUST FUNDS) - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>ADDITIONS</u>	<u>POLICE PENSION</u>	<u>NON- UNIFORM PENSION</u>	<u>TOTAL</u>
Contributions:			
Employer contribution	\$ 20	\$ 5,550	\$ 5,570
Employee contribution	2,728	3,538	6,266
Miscellaneous	-	40	40
Total Contributions	<u>\$ 2,748</u>	<u>\$ 9,128</u>	<u>\$ 11,876</u>
Investment Income:			
Net appreciation in fair value of investments	\$ -	\$ -	\$ -
Interest and dividends	26,105	24,367	50,472
Total Investment Income	<u>\$ 26,105</u>	<u>\$ 24,367</u>	<u>\$ 50,472</u>
Investment expense	-	-	-
Net investment income	<u>\$ 26,105</u>	<u>\$ 24,367</u>	<u>\$ 50,472</u>
TOTAL ADDITIONS	<u>\$ 28,853</u>	<u>\$ 33,495</u>	<u>\$ 62,348</u>
<u>DEDUCTIONS</u>			
Insurance premiums	\$ 118	\$ 127	\$ 245
Administrative expenses	60	140	200
TOTAL DEDUCTIONS	<u>\$ 178</u>	<u>\$ 267</u>	<u>\$ 445</u>
NET INCREASE IN PLAN NET ASSETS	<u>\$ 28,675</u>	<u>\$ 33,228</u>	<u>\$ 61,903</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - January 1	<u>400,893</u>	<u>373,195</u>	<u>774,088</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - December 31,	<u><u>\$ 429,568</u></u>	<u><u>\$ 406,423</u></u>	<u><u>\$ 835,991</u></u>

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Township of Crescent was created and organized under the provision governing the creation of municipal corporations by the Commonwealth of Pennsylvania. Members of the Board of Commissioners are elected by the voting public. These board members have complete authority over the operations and administration of the Township's activities. The management of the Township of Crescent applies the criteria set forth in the 'Codification of Governmental Accounting and Financial Reporting Standards' for defining the scope of its reporting entity. The three basic criteria for defining this scope are 1) the governing body's ability to exercise oversight responsibility 2) the governing body's scope of public service and 3) any special financing relationships that may exist. Included under the aforementioned criteria are the following areas that determine whether the Township should include a potential component unit under the scope of its reporting entity:

Oversight Responsibility

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Scope of Public Service

- Activity for benefit of reporting entity or its residents
- Activity conducted within geographical boundaries of reporting entity

Special Financing Relationships

Based on the application of this criteria, the accompanying financial statements include the transactions of those funds, account groups, and entities over which the Board of Commissioners have absolute authority. They do not include entities with which the Township is involved but do not meet the criteria for inclusion as a component unit such as the Creswell Heights Joint Authority, Crescent-South Heights Municipal Authority and Valley Ambulance Authority.

FUND ACCOUNTING

The Township uses funds and account groups to report on its cash and unencumbered cash balances and the revenues it receives and expenditures it pays. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each of these fund categories is, in turn, divided into separate 'fund types'. Account groups are classified into two categories: General fixed assets and General long-term debt. Fund and Account Group categories of the Township are defined as follows:

Governmental Funds - used to account for all or most of a Township's general activities, including the collection and disbursement of specific purpose monies (special revenue funds), and disbursement of general obligation note monies in connection with the acquisition and renovation of Township property (capital project fund). The general fund is used to account for all activities of the Township not accounted for in some other fund. A description of each of the Township's four (4) governmental fund types is as follows:

(1) **GENERAL FUND** - Established under 'The First Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511, charges for sanitation service, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

(2) **HIGHWAY AID FUND (SPECIAL REVENUE)** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

(3) **CAPITAL RESERVE FUND (CAPITAL PROJECT)** - Established to accumulate monies for the purchase of capital equipment. Monies have been received mainly through grants and transfers from the General Fund.

(4) **EQUIPMENT FUND (CAPITAL PROJECT)** - Established to accumulate monies for the purchase of police vehicles. Monies are received through grants and transfers from the General Fund.

Fiduciary Funds - The Township maintains two fiduciary fund types; police and non-uniform pension funds and an agency fund. The Township serves in a trustee capacity for the assets in the aforementioned pension funds. In addition, the Township serves as custodian for escrowed developer funds, by agreement, to pay engineering and legal fees on certain projects within the Township. This Agency fund is custodial in nature and does not involve the measurement of income or any other results of operations.

General Fixed Asset Account Group - Capital assets acquired by governmental fund types (general, special revenue, capital project) are charged as an expenditure in the period incurred. Additionally, the cost of these assets are accumulated in a general fixed asset account group for the purpose of maintaining accountability over these assets.

General Long-Term Debt Account Group - used to account for governmental fund type unmatured long-term debt which is required to be provided in subsequent fiscal periods for redemption of the principal on all outstanding general obligation notes of the Township. The Township does not accrue for compensated absences.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

The Township does not prepare its financial statements in accordance with generally accepted accounting principles for governmental units. Its financial statements are prepared on the basis of cash receipts and disbursements. Under the cash method, revenue is recognized at the time cash is received rather than when earned, and expenses are recognized when paid rather than when obligations are incurred.

MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the Township's financial statements are captioned 'memorandum only' to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

BUDGETS

On December 11, 2002, the Township of Crescent adopted its annual budget for its general fund in accordance with the provisions of The First Class Township Code. The authorized amended budget, as reflected in Exhibit C, is prepared utilizing the cash basis of accounting. All annual appropriations of the above funds lapse at calendar year end.

ENCUMBRANCES

Encumbrance accounting, under which purchase orders and other commitments are recorded is not utilized by the Township of Crescent.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposit accounts.

INVESTMENTS

Governmental fund type investments include deposits pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). Investments of the fiduciary fund (pension funds) include monies invested by the Township with the Pennsylvania Municipal Retirement System (PMRS). Investments are stated at fair value.

Provisions of the First Class Township Code authorize the following investments:

- I. U.S. Treasury Bills.
- II. Short-term obligations of the United States Government or its agencies or instrumentalities.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS (Continued)

- III. Deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation and National Credit Union Share Insurance Fund.
- IV. Obligations of the United States of America, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of these governmental units.
- V. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- VI. Any investment authorized by 20 Pa. C.S. Ch. 73 relating to fiduciaries investments.

Crescent Township's investment portfolio is in compliance with these provisions at December 31, 2003.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet.

PROPERTY, PLANT AND EQUIPMENT

The accounting and reporting treatment applied to fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available spendable resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period.

Fixed assets purchased by governmental fund types are recorded as expenditures in the year purchased. Governmental Fund Property, Plant and Equipment totals, reflected in the general fixed asset account group of Exhibit A, represents sound insurable values as stated by Accountable Assets, Inc. on July 14, 2000. These values do not include the value of infrastructure assets. Such assets normally are immovable and of value only to the Township. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. Interest costs, if any, incurred during construction of Township facilities are not capitalized as part of the total project cost.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM DEBT

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined, as with fixed assets, by its measurement focus. All unmatured general long-term liabilities of the Township's governmental fund types are accounted for in the general long-term debt account group. The liability and payment of the current fiscal year portion of this debt is budgeted for and reflected as an expenditure in the general fund annually.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

At December 31, 2003, the Township of Crescent had the following carrying values on its cash and cash equivalent accounts:

	Bank Balance	(Memo Only) Book Balance
General Fund:		
PNC Bank - checking	\$ (112,911)	\$ (10,015)
PNC Bank - Payroll	74	-
Total General Fund	<u>\$ (112,837)</u>	<u>\$ (10,015)</u>
Agency Fund:		
PNC Bank - checking	\$ 13,634	\$ 13,441
Total Agency Fund	<u>\$ 13,634</u>	<u>\$ 13,441</u>
TOTAL	<u>\$ (99,203)</u>	<u>\$ 3,426</u>

The difference between the bank and book balance represents reconciling items such as deposits in transit and outstanding checks. The first \$100,000 held at PNC Bank is insured through the Federal Deposit Insurance Corporation. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits at PNC Bank in excess of \$100,000, if any, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

The above bank balance total is considered a Category 1 credit risk per Governmental Accounting Standards Board (GASB) Statement #3. Category 1 credit risks are deposits which are insured or collateralized with securities held by the Township or its agent in the Township's name.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

The following represents the fair value and risk category of the Township's investments at December 31, 2003:

PLGIT:	Fair Value	Risk Category
General Fund	\$ 103	N/A
Special Revenue Funds	5,416	N/A
Capital Project Funds	60,326	N/A
PMRS:		
Pension Funds - Non-Uniform	406,423	N/A
Pension Funds - Police	429,568	N/A
	<u>\$ 901,836</u>	

The Township's investments with PLGIT and PMRS are not categorized according to risk in accordance with GASB Statement #3.

NOTE 3 - PROPERTY TAXES

The Township of Crescent levies property taxes May 1st of each calendar year. The calendar dates for payment of these taxes is as follows:

PAYMENT PERIOD

May 1 – June 30, 2003	(Discount period)
July 1 – August 31, 2003	(Face period)
September 1 and after	(Penalty period)

Taxpayers are entitled to a 2% discount if taxes are paid prior to July 1st. Collections after August 31st are assessed a 10% penalty. Unpaid taxes for 2003 are sent to the Township's delinquent real estate tax collector for collection and subsequent lien with Allegheny County. The Township had unpaid taxes totaling 44,606 for the year 2003, as of December 31, 2003. This represents 11.5% of the original assessment for the year, as amended.

The tax millage assessment for the 2003 calendar year is 4 mills on the assessed value of land and buildings (\$93,414,670), which represents \$4 of revenue for every \$1,000 of assessed value. The Township recognized property tax revenue when received during the fiscal year. No provision has been made for amounts estimated to be uncollectable.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 4 - PROPERTY PLANT, AND EQUIPMENT

A summary of the Township's general fixed asset account group property and equipment at December 31, 2003 is as follows:

	Balance 1/1/03	Additions (Deletions)	Balance 12/31/03
Buildings	\$ 692,190	\$ -	\$ 692,190
Equipment	228,465	-	228,465
Vehicles	356,330	-	356,330
	\$ 1,276,985	\$ -	\$ 1,276,985

NOTE 5 - TOWNSHIP PENSION PLANS

POLICE PENSION PLAN - The police pension plan is a single-employer defined benefit pension plan, established December 1, 1979, to provide retirement and death benefits to qualified police department employees under the provisions governing police pension plans in the Commonwealth of Pennsylvania and Local Township ordinances. The plan is governed by the Crescent Township Board of Commissioners who are responsible for the management of plan assets. The Board of Commissioners has delegated the authority to manage plan assets to the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer public employee retirement system.

Plan membership as of January 1, 2003 was comprised of:

Active employees	3
Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to benefits but not yet receiving them	-
Total	4

The summary of the plans provisions are as follows:

- PARTICIPANTS** - All full-time policemen of the Township of Crescent shall be participants in the plan.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed twelve (12) years of credited service as a Township employee and have attained the age of fifty-five.
- BENEFITS** - Based on 2.5% of the participant's average monthly salary earned during the 36 month period preceding retirement.
- TERMINATION** - The plan provides terminated employees with a return of their contributions, if any, plus 6.5% interest.
- FUNDING** - Employee contributions are equal to 5% of monthly earnings. Township contributions are to be determined by the actuary.
- VESTING** - Participants are 100% vested after twelve (12) years of service.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 5 - TOWNSHIP PENSION PLANS (Continued)

NON-UNIFORM EMPLOYEES PENSION FUND - The non-uniform employees pension plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 389 adopted pursuant to Act 15, established August 1, 1978, to provide retirement benefits for all qualified non-uniform employees. The plan is governed by the Crescent Township Board of Commissioners who are responsible for the management of plan assets. The Board of Commissioners has delegated the authority to manage plan assets to the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer public employee retirement system.

Plan membership as of January 1, 2003 was comprised of:

Active employees	4
Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Total	<u><u>6</u></u>

The summary of the plans provisions are as follows:

- PARTICIPANTS** - All full-time non-uniformed employees of the Township of Crescent.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have attained the normal retirement age of sixty-two.
- BENEFITS** - The plan provides for a monthly benefit equal to 1.5% of average monthly compensation earned during the sixty month period preceding retirement.
- TERMINATION** - The plan provides terminated employees with a return of their contributions, if any, plus 6.5% interest.
- FUNDING** - Employee contributions are equal to 3% of total compensation. Township contributions are to be determined by the actuary. Annual contributions are received from the Commonwealth of Pennsylvania as provided by Act 205, the General Municipal Pension State Aid Program.
- VESTING** - Participants are 100% vested after twelve (12) years of service.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 6 - AGENCY FUND

The following is a summary of the changes in the assets and liabilities of the Township's Agency Fund for the year ending December 31, 2003:

	<u>Balance 1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/03</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,945	\$ 20,147	\$ 9,651	\$ 13,441
TOTAL ASSETS	<u>\$ 2,945</u>	<u>\$ 20,147</u>	<u>\$ 9,651</u>	<u>\$ 13,441</u>
LIABILITIES:				
Due to Developer	\$ 2,945	\$ 20,147	\$ 9,651	\$ 13,441
TOTAL LIABILITIES	<u>\$ 2,945</u>	<u>\$ 20,147</u>	<u>\$ 9,651</u>	<u>\$ 13,441</u>

NOTE 7 - LONG TERM DEBT

NOTES PAYABLE

During 2002, The Township of Crescent entered into two (2) general obligation loan agreements to obtain funding for the enhancement of the Township Municipal Building. The first loan agreement was entered into on June 25, 2002, with The Authority for Improvements in Municipalities (AIM) in the amount of \$150,000. The terms of the loan call for five (5) annual payments of \$30,000, plus interest, at the rate of 3.59 percent. The second loan agreement was entered into on August 20, 2002, with The Commonwealth of Pennsylvania Department of Community and Economic Development in the amount of \$50,000. The terms of this loan call for forty (40) quarterly payments of \$1,377.69 at the rate of 2.015 percent. As of December 31, 2003, the Township had drawn down \$40,000 on the DCED loan and had drawn down the entire \$150,000 on the AIM loan.

A summary of the debt service requirements on the AIM loan is as follows:

<u>Year End Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 30,000	\$ 5,385	\$ 5,385
2005	30,000	4,308	34,308
2006	30,000	3,231	33,231
2007	30,000	2,154	32,154
2008	30,000	1,077	31,077
	<u>\$ 150,000</u>	<u>\$ 16,155</u>	<u>\$ 136,155</u>

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 7 – LONG TERM DEBT (Continued)

LEASE PAYABLE

In October of 2003, the Township of Crescent entered into a lease agreement for the purchase of a backhoe. The lease calls for two annual installments of \$12,978.73 beginning in November of 2004. The initial payment for the backhoe was made from insurance proceeds. The balance on the lease at December 31, 2003 was \$25,976.

NOTE 8 - COMMITMENTS AND CONTINGENT LIABILITIES

LEGAL MATTERS

The Township of Crescent on occasion is a party to various legal actions normally associated with municipalities, the aggregate effect of which, in management's opinion, would not be material to the financial position of the Township of Crescent.

STATE FUNDING

The Township of Crescent's state funded programs are subject to audit by various governmental agencies. The Township is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 9 – RISK MANAGEMENT

The Township of Crescent is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 10 – EMERGING ISSUES

In June of 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (Statement). Certain of the significant changes in the Statement include the following:

1. For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
 - Financial statements prepared using the full accrual accounting for all of the Township's activities, including reporting infrastructure assets.
2. A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the Township of Crescent no later than the year ending December 31, 2004 in order for its financial statements to be presented in conformity with accounting principles generally accepted in the United States of America.

***SUPPLEMENTAL
SCHEDULES***

**TOWNSHIP OF CRESCENT
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY) 2002</u>
<u>TAXES:</u>			
Real estate tax - current	\$ 341,540	\$ 337,028	\$ 321,051
Real estate tax - prior	26,545	28,808	32,420
Real estate tax - liened	10,000	13,581	18,573
Delinquent tax penalties	2,000	3,047	2,340
Per capita tax - delinquent	-	-	-
Real estate transfer tax	45,000	71,149	52,544
Earned income tax	154,000	176,888	177,062
Occupational privilege tax	2,500	795	995
TOTAL TAXES	\$ 581,585	\$ 631,296	\$ 604,985
<u>LICENSES AND PERMITS:</u>			
Vending and amusement	\$ 2,650	\$ 2,475	\$ 2,650
Cable franchise fees	20,000	24,512	22,830
Street and curb permits	2,000	600	1,970
One call dividend	100	67	73
TOTAL LICENSES AND PERMITS	\$ 24,750	\$ 27,654	\$ 27,523
<u>FINES AND FORFEITURES:</u>			
Vehicle code violations	\$ 10,000	\$ 11,215	\$ 9,127
State police fines	1,000	1,678	2,028
TOTAL FINES AND FORFEITURES	\$ 11,000	\$ 12,893	\$ 11,154
<u>INTEREST AND RENTS:</u>			
Interest earnings	\$ 2,000	\$ 1,164	\$ 2,678
Rent of land	18,750	18,750	-
Rents	4,000	2,800	3,025
TOTAL INTEREST AND RENTS	\$ 24,750	\$ 22,714	\$ 5,703
<u>INTERGOVERNMENTAL:</u>			
Public utility realty tax	\$ 1,000	\$ 1,174	\$ 894
Alcoholic beverage licenses	400	400	400
COPS Grant	-	18,077	-
Pension state aid	5,300	-	-
DUI task force reimbursement	-	1,470	-
Foreign fire insurance tax	10,500	12,310	10,480
Regional sales tax allocation	35,000	40,841	42,037
TOTAL INTERGOVERNMENTAL	\$ 52,200	\$ 74,272	\$ 53,811

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2002</u>
<u>CHARGES FOR SERVICES:</u>			
Zoning and subdivision	\$ 1,500	\$ 1,686	\$ 1,410
Building permits	38,500	25,299	40,410
Use and occupancy permits	3,000	2,630	2,821
BOCA Review	500.00	-	-
Electrical inspections	6,500	8,475	7,450
Snow removal	8,000	10,987	8,045
Solid waste collection and disposal	103,000	86,176	98,440
Portnoff/Creditech delinquent garbage fees	6,500	9,951	7,617
Misc receipts - reports, maps, etc.	200	1,098	81
Lien letters	1,300	2,000	1,695
Police reports	500	670	415
TOTAL CHARGES FOR SERVICES	<u>\$ 169,500</u>	<u>\$ 148,972</u>	<u>\$ 168,385</u>
<u>OTHER FINANCIAL SOURCES:</u>			
Transfer from capital reserve fund	\$ 40,000	\$ 25,000	\$ -
Transfer from Highway Account	-	4,148	-
Sale of Police Car	5,000	-	-
Sale of Public Works Vehicle	10,000	12,250	800
Tax anticipation loan	150,000	150,000	150,000
Refund prior year expenses	10,500	5,916	11,182
TOTAL FINANCIAL SOURCES	<u>\$ 215,500</u>	<u>\$ 197,315</u>	<u>\$ 161,982</u>
TOTAL REVENUES	<u>\$ 1,079,285</u>	<u>\$ 1,115,116</u>	<u>\$ 1,033,543</u>

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2002</u>
GENERAL GOVERNMENT:			
LEGISLATIVE BODY:			
Personal services	\$ 400	\$ 287	\$ 337
Commissioners	9,000	7,500	7,500
Advertising	3,000	2,224	3,160
PLGSA Conference Ad	-	125	-
Association dues and expense	11,500	8,111	13,119
TOTAL LEGISLATIVE BODY	\$ 23,900	\$ 18,247	\$ 24,116
EXECUTIVE:			
Salary - secretary	\$ 46,000	\$ 46,000	\$ 41,000
Salary - assistant	10,000	13,720	8,244
Office supplies	3,500	10,100	4,116
Office phone	5,000	3,839	4,993
PA one call fax charges	200	96	111
Maintenance and repair	2,000	55	2,209
Association dues	2,000	2,924	2,070
Education expense	500	2,106	50
TOTAL EXECUTIVE:	\$ 69,200	\$ 78,840	\$ 62,792
FINANCIAL ADMINISTRATION:			
Professional auditors	\$ 2,800	\$ 2,590	\$ 2,835
TOTAL FINANCIAL ADMINISTRATION	\$ 2,800	\$ 2,590	\$ 2,835
TAX COLLECTION:			
Salary - treasurer and tax collector	\$ 10,000	\$ 10,000	\$ 10,000
Commissions:			
Occupational privilege tax	-	-	9
Delinquent property tax	3,000	3,309	3,415
General expenses:			
Treasurer	1,200	851	711
Wage tax - PMS expense	1,500	3,114	2,713
Computer maintenance	600	-	-
Bank fees	-	998	-
Computer forms	2,000	477	1,860
Liened property	1,000	2,098	1,494
Association dues and expenses	700	632	700
TOTAL TAX COLLECTION	\$ 20,000	\$ 21,478	\$ 20,902
LEGAL SERVICES:			
Solicitor quarterly compensation	\$ 6,000	\$ 16,814	\$ 6,000
Other legal fees	35,000	31,192	44,731
Other legal filing fees	600	-	25
Association and Dues	2,000	1,410	2,128
TOTAL LEGAL SERVICES	\$ 43,600	\$ 49,416	\$ 52,884

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2002
ENGINEER:			
Engineer/architect fees	\$ 12,000	\$ 9,808	\$ 12,777
TOTAL ENGINEER	\$ 12,000	\$ 9,808	\$ 12,777
GOVERNMENT BUILDING & PLANT:			
Cleaning services	\$ 4,400	\$ 4,797	\$ 4,108
Supplies	2,700	2,133	2,012
Utilities	9,500	14,261	9,908
Building maintenance and repair	3,000	5,854	2,969
TOTAL GOVERNMENT BUILDING & PLANT	\$ 19,600	\$ 27,045	\$ 18,997
TOTAL GENERAL GOVERNMENT	\$ 191,100	\$ 207,424	\$ 195,303
PUBLIC SAFETY:			
POLICE PROTECTION:			
Salary - chief	\$ 41,600	\$ 42,140	\$ 39,711
Wages - patrolmen	100,000	116,859	100,193
Task Force Wages	-	3,090	-
Overtime	-	-	96
Uniform allowance	2,200	2,814	2,165
Supplies	4,000	11,006	5,659
Gasoline and oil	3,000	4,775	1,671
Vehicle maintenance	5,000	4,548	4,863
Pre-Employment Physicals	200	443	-
Telephone	2,500	2,271	2,127
S-1 region	1,100	1,100	1,100
Cell phone	1,500	3,162	2,963
Radio equipment maintenance	400	822	180
Purchase police radio	1,400	-	1,453
Beeper lease	-	-	765
Computer maintenance	1,000	-	-
Investigation fund	100	-	150
Lock-up fees	600	600	600
Association dues and expenses	1,400	996	1,328
Education expense	250	317	-
Moon - dispatch	4,400	2,541	2,623
Capital purchases	3,000	1,282	-
TOTAL POLICE PROTECTION	\$ 173,650	\$ 198,763	\$ 167,647
FIRE PROTECTION:			
Fire Company Utilities	\$ 18,000	\$ 13,398	\$ 14,270
Fire hydrant rental	8,500	5,906	7,875
Fire department contribution	1,500	1,500	1,500
Foreign fire insurance	10,500	12,310	10,480
Equipment purchase	4,500	199	1,158
TOTAL FIRE PROTECTION	\$ 43,000	\$ 33,314	\$ 35,284

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2002</u>
<u>AMBULANCE SERVICE:</u>			
General expense	\$ 600	\$ 600	\$ 600
TOTAL AMBULANCE SERVICE	\$ 600	\$ 600	\$ 600
<u>PROTECTIVE INSPECTION:</u>			
Permits and Electrical Inspections	\$ 5,500	\$ 11,846	\$ 5,418
TOTAL PROTECTIVE INSPECTION	\$ 5,500	\$ 11,846	\$ 5,418
<u>PLANNING AND ZONING:</u>			
Building inspector wages	\$ 22,000	\$ 16,991	\$ 24,941
Zoning hearing board expenses	750	-	-
Planning & zoning expenses	750	120	354
TOTAL PLANNING AND ZONING	\$ 23,500	\$ 17,111	\$ 25,295
TOTAL PUBLIC SAFETY	\$ 246,250	\$ 261,634	\$ 234,244
<u>PUBLIC WORKS:</u>			
<u>SANITATION:</u>			
Contracted services	\$ 84,500	\$ 87,906	\$ 90,265
Billing service	2,100	3,733	1,951
Portnoff Assoc. delinquent collector	2,500	2,334	2,639
TOTAL SANITATION	\$ 89,100	\$ 93,973	\$ 94,855
<u>HIGHWAYS:</u>			
Salaries and wages	\$ 98,600	\$ 103,501	\$ 92,087
Uniform allowance	1,200	2,455	1,316
Materials and supplies	8,000	11,509	8,998
Highway materials	18,000	48,975	13,871
Vehicle operating expense	2,600	3,928	2,846
Street lighting	9,500	16,039	9,994
Repair and maintenance	7,200	10,337	7,750
Communications	1,500	2,093	1,369
General expense	400	1,518	1,766
Capital construction - roads	35,500	18,321	24,216
TOTAL HIGHWAYS	\$ 182,500	\$ 218,675	\$ 164,213
TOTAL PUBLIC WORKS	\$ 271,600	\$ 312,648	\$ 259,068

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2002</u>
<u>CULTURE AND RECREATION:</u>			
<u>RECREATION:</u>			
Materials and supplies	\$ 4,500	\$ 4,653	\$ 3,435
Park board events	2,500	2,487	2,286
Professional services	5,000	3,900	7,970
Utilities	2,500	5,440	2,390
Capital purchases	3,000	3,000	2,000
Civic Club donation	1,000	1,000	500
TOTAL RECREATION	\$ 18,500	\$ 20,480	\$ 18,581
<u>SENIOR CITIZEN'S CENTER:</u>			
General expense	\$ 1,000	\$ 1,000	\$ 500
TOTAL SENIOR CITIZEN'S CENTER	\$ 1,000	\$ 1,000	\$ 500
TOTAL CULTURE AND RECREATION	\$ 19,500	\$ 21,480	\$ 19,081
<u>DEBT SERVICE:</u>			
Purdy Road Payment to Moon Twp	\$ 21,000	\$ 21,000	\$ 20,955
Mun Bldg Loan Payment	35,000	3,766	-
Interest Purdy Road	2,250	1,061	-
TAN interest	-	-	4,442
TAN Principal	150,000	150,000	150,000
TOTAL DEBT SERVICE	\$ 208,250	\$ 175,827	\$ 175,397
<u>MISCELLANEOUS:</u>			
Intergovernmental	\$ 100	\$ -	\$ -
Health and disability insurance	44,640	55,417	41,668
Non-uniform pension contribution	4,800	-	5,510
Social security taxes - township share	24,000	26,652	23,648
Unemployment compensation insurance	1,900	1,834	1,907
Workmens compensation insurance	15,000	16,419	18,888
Package insurance	25,000	32,088	23,885
Public official insurance	2,100	2,206	2,072
Miscellaneous	-	831	-
Police professional insurance	2,100	2,700	2,103
Bonds	1,300	724	2,510
TOTAL MISCELLANEOUS	\$ 120,940	\$ 138,872	\$ 122,191
<u>OTHER FINANCING USES:</u>			
Interfund transfers	\$ 11,545	\$ -	\$ -
Refund of prior year receipts	5,600	6,575	11,871
TOTAL OTHER FINANCING USES	\$ 17,145	\$ 6,575	\$ 11,871
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,074,785	\$ 1,124,460	\$ 1,017,154

TOWNSHIP OF CRESCENT
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - CASH BASIS
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>CAPITAL RESERVE FUND</u>	<u>EQUIPMENT FUND</u>	<u>TOTAL</u>
<u>RECEIPTS:</u>			
Interest	\$ 803	\$ 77	\$ 880
Intergovernmental grants	11,000	24,000	35,000
Loan proceeds	190,000	-	190,000
Interfund transfers	11,301	-	11,301
TOTAL RECEIPTS	<u>\$ 213,104</u>	<u>\$ 24,077</u>	<u>\$ 237,181</u>
<u>DISBURSEMENTS:</u>			
General government	\$ 11,400	\$ -	\$ 11,400
Public safety	190,983	-	190,983
Public works	25,238	-	25,238
Parks and recreation	11,460	-	11,460
Interfund transfers	25,000	11,301	36,301
TOTAL DISBURSEMENTS	<u>\$ 264,081</u>	<u>\$ 11,301</u>	<u>\$ 275,382</u>
EXCESS RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (50,977)	\$ 12,776	\$ (38,201)
FUND BALANCE - January 1, 2003	<u>98,483</u>	<u>44</u>	<u>98,527</u>
FUND BALANCE - December 31, 2003	<u>\$ 47,506</u>	<u>\$ 12,820</u>	<u>\$ 60,326</u>

TOWNSHIP OF CRESCENT
COMBINING STATEMENT OF PLAN NET ASSETS
FIDUCIARY FUND TYPES (PENSION TRUST FUNDS) - CASH BASIS
DECEMBER 31, 2002

	<u>POLICE PENSION</u>	<u>NON- UNIFORM PENSION</u>	<u>TOTAL</u>
ASSETS:			
Investments:			
PMRS	\$ 429,568	\$ 406,423	\$ 835,991
TOTAL ASSETS	<u>\$ 429,568</u>	<u>\$ 406,423</u>	<u>\$ 835,991</u>
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 429,568</u>	<u>\$ 406,423</u>	<u>\$ 835,991</u>

***REQUIRED SUPPLEMENTARY
INFORMATION***

TOWNSHIP OF CRESCENT
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
DECEMBER 31, 2003

SCHEDULES OF FUNDING PROGRESS:

<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUE OF ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>(UAAL) UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>	<u>FUNDED RATIO</u>	<u>COVERED PAYROLL</u>	<u>UAAL AS A % OF COVERED PAYROLL</u>
POLICE:						
1/1/95	\$ 331,564	\$ 194,087	\$ (137,477)	171%	\$ 26,230	-524.1%
1/1/97	374,216	222,172	(152,044)	168%	28,648	-530.7%
1/1/99	457,548	290,434	(167,114)	158%	33,800	-494.4%
1/1/01	574,049	354,631	(219,418)	162%	38,245	-573.7%
1/1/03	613,332	374,149	(239,183)	164%	98,289	-243.3%
NON-UNIFORM:						
1/1/95	\$ 208,240	\$ 264,287	\$ 56,047	79%	\$ 83,158	67.4%
1/1/97	307,849	317,292	9,443	97%	84,670	11.2%
1/1/99	408,515	383,755	(24,760)	106%	90,405	-27.4%
1/1/01	522,092	448,482	(73,610)	116%	100,369	-73.3%
1/1/03	575,565	524,991	(50,574)	110%	159,797	-31.6%

SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:

<u>YEAR ENDED DECEMBER 31</u>	<u>ANNUAL REQ. CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
POLICE:		
1997	\$ -	N/A
1998	-	N/A
1999	-	N/A
2000	-	N/A
2001	-	N/A
2002	-	N/A
2003	-	N/A
NON-UNIFORM		
1997	\$ 12,986	100%
1998	13,218	100%
1999	9,617	100%
2000	9,555	100%
2001	4,543	100%
2002	5,510	100%
2003	-	N/A

TOWNSHIP OF CRESCENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2003

NOTE 1 - TREND INFORMATION

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in unfunded (assets in excess of) actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded (assets in excess of) actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, where there is an unfunded actuarial accrued liability, the smaller this percentage, the stronger the plan. However, when assets are in excess of the actuarial accrued liability, the higher the bracketed percentage, the stronger the plan.

NOTE 2 - ACTUARIAL ASSUMPTIONS AND METHODS

The information presented in the preceding required supplementary information section was determined as part of the Act 205 actuarial valuation reports dated January 1, 2003. Additional information included as part of this valuation is as follows:

Actuarial Cost Method - Entry Age Normal

Amortization Method - Level Dollar Closed

Remaining Amortization Period – Police – N/A
Non-Uniform – N/A

Asset Valuation Method – Fair Value

Investment Rate of return – 6.5% per annum

Salary Increase - 5.2%