

TOWNSHIP OF CRESCENT



AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

TOWNSHIP OF CRESCENT
ALLEGHENY COUNTY, PENNSYLVANIA

AUDIT OF FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED DECEMBER 31, 2004

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 governmental activities, each major fund, and the aggregate remaining fund information of the Township of Crescent as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township Commissioners. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the statements of fiduciary net assets and changes in fiduciary net assets of the Township's pension trust funds (Exhibit F and G). This information 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.

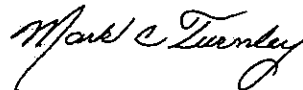
As described in Note 2, the Township prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Crescent as of December 31, 2004, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 2.

The Township of Crescent has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The defined benefit trust funds' historical pension information on pages 26-27 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 opinions on the financial statements that collectively comprise the Township of Crescent's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 2.



Mark C. Turnley, CPA

May 31, 2005
Ambridge, Pennsylvania

TOWNSHIP OF CRESCENT
STATEMENT OF NET ASSETS (CASH BASIS)
DECEMBER 31, 2004

EXHIBIT A

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,385
Investments	46,365
Total Current Assets	<u>\$ 49,750</u>
TOTAL ASSETS	<u>\$ 49,750</u>
NET ASSETS	
Unrestricted	\$ 49,750
TOTAL NET ASSETS	<u>\$ 49,750</u>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT
STATEMENT OF ACTIVITIES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2004**

Functions/Programs	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
Governmental Activities:	Charges for Services	Operating Grants and Contributions	Governmental Activities
General Government	\$ 270,843	\$ -	(237,626)
Public Safety - Police	239,030	66,082	(156,152)
Public Safety - Fire	37,557	11,802	(25,755)
Public Safety - Other	11,389	-	4,069
Public Works - Sanitation	91,724	-	17,591
Public Works - Highways	215,136	40,582	(174,025)
Culture and Recreation	31,961	-	(29,686)
Debt Service	212,873	-	(212,873)
Insurance and Employee Benefits	168,544	9,869	(158,675)
Miscellaneous	1,004	-	(1,004)
Total Governmental Activities	\$ 1,280,061	\$ 128,335	(974,136)
Total Primary Government	\$ 1,280,061	\$ 128,335	\$ (974,136)
General Receipts:			
Taxes:			
Property Taxes, Levied for General Purposes (net)			\$ 447,934
Act 511 Taxes			241,080
Public Utility Realty Tax/Alcohol Beverage Tax			1,290
Sales Tax			41,284
Loan Proceeds			210,000
Investment Earnings			2,040
Miscellaneous			9,627
Total General Receipts			\$ 953,255
Change in Net Assets			\$ (20,881)
Net Assets — January 1, 2004			70,631
Net Assets — December 31, 2004			\$ 49,750

The accompanying notes are an integral part of these financial statements

EXHIBIT C

TOWNSHIP OF CRESCENT
BALANCE SHEET (CASH BASIS)
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

----- MAJOR GOVERNMENTAL FUNDS -----

	GENERAL FUND	LIQUID FUELS FUND	POLICE CAR GRANT FUND	COMMUNITY REVITALIZATION GRANT FUND	CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS
\$	(29,734)	\$ -	\$ 5,007	\$ 15,045	\$ -	\$ (9,682)
	46,365	7,993	-	-	5,074	59,432
\$	16,631	7,993	5,007	15,045	5,074	49,750

ASSETS:

Cash and Cash Equivalents
Investments

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES:

Due to Other Funds

TOTAL LIABILITIES

FUND BALANCES:

Undesignated - Unreserved

TOTAL FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	-	-	-	-	-
\$	16,631	7,993	5,007	15,045	5,074	49,750
\$	16,631	7,993	5,007	15,045	5,074	49,750
\$	16,631	7,993	5,007	15,045	5,074	49,750

TOWNSHIP OF CRESCENT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	MAJOR GOVERNMENTAL FUNDS					(EQUIPMENT FUND) NON-MAJOR GOVERNMENTAL FUND		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	LIQUID FUELS FUND	POLICE CAR GRANT FUND	COMMUNITY REVITALIZATION GRANT FUND	CAPITAL RESERVE FUND			
RECEIPTS								
Taxes	\$ 696,700	-	-	-	-	-	-	\$ 696,700
Licenses and Permits	30,259	-	-	-	-	-	-	30,259
Fines and Forfeitures	14,984	-	-	-	-	-	-	14,984
Interest and Rents	5,175	190	7	45	333	-	39	5,789
Intergovernmental	110,327	40,582	5,000	15,000	-	-	-	170,909
Charges for Services	128,635	-	-	-	-	-	-	128,635
Total Receipts	\$ 986,090	\$ 40,772	\$ 5,007	\$ 15,045	\$ 333	\$ -	\$ 39	\$ 1,047,276
DISBURSEMENTS								
General Government	\$ 239,338	-	-	-	-	-	-	\$ 239,338
Public Safety	278,871	-	-	-	31,505	-	-	278,871
Public Works	267,405	38,195	-	-	9,105	-	-	306,860
Culture and Recreation	19,273	-	-	-	1,260	-	-	20,533
Debt Service	212,873	-	-	-	11,688	-	-	224,561
Miscellaneous	168,543	-	-	-	1,000	-	-	169,543
Total Disbursements	\$ 1,186,303	\$ 38,195	\$ -	\$ -	\$ 54,558	\$ -	\$ -	\$ 1,279,056
Excess (Deficiency) of Receipts over Disbursements	\$ (200,223)	\$ 2,577	\$ 5,007	\$ 15,045	\$ (54,225)	\$ -	\$ 39	\$ (231,780)
OTHER FINANCING SOURCES (USES)								
Sale of Township Property	\$ 1,000	-	-	-	-	-	-	\$ 1,000
Refund of Prior Year Expenses	5,991	-	-	-	-	-	-	5,991
Refund of Prior Year Receipts	(8,692)	-	-	-	-	-	-	(8,692)
Loan Proceeds	210,000	-	-	-	-	-	-	210,000
Unknown Receipts	2,600	-	-	-	-	-	-	2,600
Operating Transfers In	26,065	-	-	-	37,859	-	-	63,924
Operating Transfers Out	(25,000)	-	-	-	(26,065)	-	-	(51,065)
Total Other Financing Sources (Uses)	\$ 211,964	\$ -	\$ -	\$ -	\$ 11,794	\$ (12,859)	\$ (12,859)	\$ 210,899
NET CHANGE IN FUND BALANCES	\$ 11,741	\$ 2,577	\$ 5,007	\$ 15,045	\$ (42,431)	\$ (12,820)	\$ (12,820)	\$ (20,881)
FUND BALANCE - JANUARY 1, 2004	4,890	5,416	-	-	47,505	12,820	70,631	137,264
FUND BALANCE - DECEMBER 31, 2004	\$ 16,631	\$ 7,993	\$ 5,007	\$ 15,045	\$ 5,074	\$ -	\$ -	\$ 49,750

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL (CASH BASIS)
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 689,030	\$ 689,030	\$ 696,700	\$ 7,670
Licenses and Permits	25,600	25,600	30,259	4,659
Fines and Forfeitures	15,500	15,500	14,984	(516)
Interest and Rents	4,100	4,100	5,175	1,075
Intergovernmental	71,600	71,600	110,327	38,727
Charges for Services	172,900	172,900	128,635	(44,265)
Total Receipts	\$ 978,730	\$ 978,730	\$ 986,080	\$ 7,350
DISBURSEMENTS				
General Government	\$ 210,400	\$ 210,400	\$ 239,338	\$ (28,938)
Public Safety - Police	189,030	189,030	229,925	(40,895)
Public Safety - Fire	42,300	42,300	37,556	4,744
Public Safety - Other	29,800	29,800	11,390	18,410
Public Works - Sanitation	109,900	109,900	91,724	18,176
Public Works - Highways	210,100	210,100	175,681	34,419
Culture and Recreation	20,500	20,500	19,273	1,227
Debt Service	256,000	256,000	212,873	43,127
Miscellaneous	155,300	155,300	168,543	(13,243)
Total Disbursements	\$ 1,223,330	\$ 1,223,330	\$ 1,186,303	\$ 37,027
Excess (Deficiency) of Receipts over Disbursements	\$ (244,600)	\$ (244,600)	\$ (200,223)	\$ 44,377
OTHER FINANCING SOURCES (USES)				
Sale of Township Property	\$ -	\$ -	\$ 1,000	\$ 1,000
Refund of Prior Year Expenses	6,000	6,000	5,991	(9)
Refund of Prior Year Receipts	(3,600)	(3,600)	(8,692)	(5,092)
Loan Proceeds	250,000	250,000	210,000	(40,000)
Unknown Receipts	-	-	2,600	2,600
Operating Transfers In	10,000	10,000	26,065	16,065
Operating Transfers Out	-	-	(25,000)	(25,000)
Total Other Financing Sources (Uses)	\$ 262,400	\$ 262,400	\$ 211,964	\$ (50,436)
NET CHANGE IN FUND BALANCES	\$ 17,800	\$ 17,800	\$ 11,741	\$ (6,059)
FUND BALANCE - JANUARY 1, 2004	-	-	4,890	4,890
FUND BALANCE - DECEMBER 31, 2004	\$ 17,800	\$ 17,800	\$ 16,631	\$ (1,169)

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>	<u>ESCROW DEVELOPERS FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 13,406
Investments - PMRS	499,817	230,291	-
Employer Contributions Receivable	-	3,724	-
TOTAL ASSETS	<u>\$ 499,817</u>	<u>\$ 234,015</u>	<u>\$ 13,406</u>
LIABILITIES			
Other Current Liabilities	\$ -	\$ -	\$ 13,406
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,406</u>
NET ASSETS			
Held in Trust for Pension Benefits	\$ 499,817	\$ 234,015	
TOTAL NET ASSETS	<u>\$ 499,817</u>	<u>\$ 234,015</u>	

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>
ADDITIONS		
Interest	\$ 30,280	\$ 13,810
Employer Contributions	-	3,959
Member Contributions	-	4,949
Miscellaneous	5,779	6,560
TOTAL ADDITIONS	<u>\$ 36,059</u>	<u>\$ 29,278</u>
DEDUCTIONS		
Refunds of Member Contributions	\$ 80	\$ 10,881
Benefits	-	221,427
Administrative Expenses	-	140
Allocated Insurance Premiums	-	125
Miscellaneous	-	110
TOTAL DEDUCTIONS	<u>\$ 80</u>	<u>\$ 232,683</u>
CHANGE IN NET ASSETS	\$ 35,979	\$ (203,405)
NET ASSETS - JANUARY 1, 2004	<u>463,838</u>	<u>437,420</u>
NET ASSETS - DECEMBER 31, 2004	<u>\$ 499,817</u>	<u>\$ 234,015</u>

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 – DESCRIPTION OF THE TOWNSHIP AND REPORTING ENTITY

DESCRIPTION

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 major functions of the Township include public safety, maintenance of Township infrastructure (roads), sanitation control, maintenance of parks and other general administrative functions to facilitate the needs of the Township residents.

REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Township of Crescent consists of all funds, departments, boards and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. 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. Based on the application of these criteria, the Township of Crescent has no component units.

The following entities that perform activities within the Township of Crescent boundaries for the benefit of its residents are excluded from the accompanying financial statements because the Township is not financially accountable for these entities nor are they fiscally dependent on the Township:

- Moon Area School District
- Crescent Township Volunteer Fire Department

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Township's accounting policies are as follows:

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Governmental activities in the government-wide financial statements and government funds use the cash basis of accounting. 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. Fiduciary funds use the accrual basis of accounting.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB STATEMENT IMPLEMENTATIONS

In June of 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, 'Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments'. Certain of the significant changes in this new statement applicable to local governments include the following:

1. For the first time, the financial statements should include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations. The Township of Crescent has opted not to present a Management and Discussion Analysis for the year ended December 31, 2004.
 - Government- wide financial statements using the full accrual basis of 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

Under GASB Statement No. 34, the focus of the fund financial statements is on major funds. Major funds represent the Township's most important funds and are determined based on percentages of assets, liabilities, receipts, and disbursements. For the Township of Crescent, the General Fund is always considered a major fund.

The provisions of GASB Statement No. 34 were effective January 1, 2004 for the Township of Crescent. The Township adopted certain provisions of GASB Statement No. 34 including, but not limited to, 1) changing its fund financial statements to focus on the major funds and 2) presentation of government-wide financial statements – Statement of Net Assets and Statement of Activities (see Basis of Presentation). The Township of Crescent's financial statements were prepared using the cash basis of accounting. The Governmental Accounting Standards Board requires the government-wide financial statements to be prepared using the economic resources measurement focus (full accrual), and the fund financial statements to be prepared using a flow of current financial resources measurement focus (modified accrual), to be in conformity with general accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present the financial position or results of operations of the Township of Crescent in conformity with accounting principles generally accepted in the United States.

FUND ACCOUNTING

The Township uses funds to report on its financial position and the results of its operations during the year. 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 defined as a fiscal and accounting entity with a self-balancing set of accounts. For the Township of Crescent, funds are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Townships' major and non-major governmental funds:

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

MAJOR GOVERNMENTAL FUNDS:

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.

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.

POLICE CAR GRANT FUND (SPECIAL REVENUE) - Established to accumulate monies for the purchase of police vehicles. Monies are received through grants from the Commonwealth of Pennsylvania.

COMMUNITY REVITALIZATION GRANT FUND (SPECIAL REVENUE) - Established to accumulate monies for the purchase of police vehicles. Monies are received through grants from the Commonwealth of Pennsylvania.

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.

NON-MAJOR GOVERNMENTAL FUNDS:

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township has two pension trust funds (police pension fund and non-uniform service employees pension fund). Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Township maintains an agency fund to account for escrow monies received from developers to pay for legal and engineering costs incurred by the Township related to specific development projects within the Township (Schedule 3).

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS – The statement of net assets (Exhibit A) and the statement of activities (Exhibit B) display information about the Township as a whole. In specific, these financial statements combine all of the financial activity of the Township's major and non-major funds as described herein Note 2. The government-wide financial statements do not include the financial activity of the Township's fiduciary funds, which cannot be used to finance general operations. GASB Statement No. 34 describes and distinguishes the financial activity in any fund as being either governmental or business-type. The Township of Crescent does not currently operate any business-type activities.

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for each function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. The Township allocates the following program revenues under the column 'charges for services' to each functional disbursement category as follows:

- General Government – Licenses and permits, rents, lien letters, and miscellaneous sales of reports and maps
- Public Safety (Police) – Fines and forfeitures, police reports, task force receipts
- Public Safety (Other) – Building permits, electrical inspections, use and occupancy permits
- Public Works (Sanitation) – Solid waste collection fees
- Public Works (Highways) – Snow removal fees

Revenues which are not classified as program revenues are presented as general revenues of the Township. General revenue consists mainly of taxes, unrestricted grants, and other miscellaneous receipts not earmarked for a specific function. The comparison of direct disbursements with program receipts identifies the extent to which the government function is self-financing or draws from the general receipts of the Township.

FUND FINANCIAL STATEMENTS – Fund financial statements report detailed information about the Township. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. In Exhibit C, non-major funds are segregated and combined in a single column. Fiduciary funds are reported by fund type.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS

In December 2003, the Township of Crescent adopted its annual budget for its general fund in accordance with the provisions of the Township Code. The general fund budget of \$1,226,930 was prepared utilizing the cash basis of accounting. All annual appropriations of the general fund lapse at calendar year end.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

INVESTMENTS

Provisions of the 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.
- 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.

The Township of Crescent investment portfolio is in compliance with these statutes at December 31, 2004.

Governmental fund type investments include certificates of deposit with maturity terms in excess of three months and monies pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). Fiduciary fund (pension fund) investments include money funds and mutual funds invested with the Pennsylvania Municipal Retirement System. Investments are stated at fair market value.

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 governmental funds balance sheet. For the purposes of the government-wide statement of net assets, governmental inter-fund receivables and payables have been eliminated.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

LONG-TERM DEBT

Long term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

NET ASSETS

GASB Statement No. 34 requires equity in the government-wide statement of net assets to be reported as 'Net Assets' rather than 'Fund Balance'. Net assets are classified into four categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net assets are classified as follows:

- Invested in Capital Assets, Net of Related Debt – This component of net assets consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets.
- Restricted-Nonexpendable – Net assets subject to externally imposed restrictions which are required to be maintained in perpetuity.
- Restricted-Expendable – Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Township or by the passage of time.
- Unrestricted – Consists of net assets that do not meet the definition of 'restricted' or 'invested in capital assets, net of related debt'.

The Township applies restricted resources first, when available, before using unrestricted resources, to pay expenditures that can be paid from either source.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

At December 31, 2004, the Township of Crescent had the following carrying values on its cash and cash equivalent accounts:

	Bank Balance	(Memo Only) Book Balance
General Fund	\$ (11,181)	\$ (29,734)
Other Major Governmental Funds	20,052	20,052
Agency Funds	13,406	13,406
TOTAL	\$ 22,277	\$ 3,724

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

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.

The following represents the fair value and risk category of the Township's investments at December 31, 2004:

	Fair Value	Risk Category
PLGIT:		
General Fund	\$ 46,365	N/A
Other Major Governmental Funds	13,067	N/A
	\$ 59,432	
PMRS:		
Pension Funds - Non-Uniform	\$ 230,291	N/A
Pension Funds - Police	499,817	N/A
	\$ 848,972	

GASB Statement No. 3 does not require the Township's investments with PLGIT and PMRS to be categorized according to risk.

NOTE 4 - 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, 2004	(Discount period)
July 1 – August 31, 2004	(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 2004 are sent to the Township's delinquent real estate tax collector for collection and subsequent lien with Allegheny County. The Township had unpaid property taxes for 2004 totaling \$38,488 as of December 31, 2004. This represents 9.4% of the Township's original assessment for the year totaling \$409,642.

The tax millage assessment for the 2004 calendar year is 4 mills on the assessed value of land and buildings (\$102,155,866), 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, 2004

NOTE 5 - 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. A final amortization schedule reflecting the debt service requirements on the DCED loan was not available to the Township as of the date of this report. The balance on this loan as of December 31, 2004 totals \$46,806.

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

Year End <u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 120,000</u>	<u>\$ 10,770</u>	<u>\$ 130,770</u>

TAX ANTICIPATION NOTE

In January of 2004 the Township of Crescent received \$200,000 in the form of a tax anticipation note from PNC Bank. The terms of the note call for interest payments at the rate of 2.69% to be made on the outstanding balance of this loan during the year, scheduled to mature in December 2004. The outstanding balance due on this tax anticipation note as of December 31, 2004 was \$40,000.

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 \$12,987.73 beginning in November of 2004. The initial payment for the backhoe was made from insurance proceeds. The final payment \$12,987.73 is scheduled to be made in October of 2005.

The following represents the changes in the Township's long-term liabilities during 2004:

	<u>Balance 1/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2004</u>	<u>Due Within One Year</u>
General Obligation Notes	\$ 190,000	\$ 10,000	\$ 33,194	\$ 166,806	\$ 34,617
Tax Anticipation Note	-	200,000	160,000	40,000	40,000
Lease Obligations	25,975	-	12,987	12,988	12,988
	<u>\$ 215,975</u>	<u>\$ 210,000</u>	<u>\$ 206,181</u>	<u>\$ 219,794</u>	<u>\$ 87,605</u>

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 6 -- 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 December 31, 2004 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.

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.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 6 - TOWNSHIP PENSION PLANS (Continued)

Plan membership as of December 31, 2004 was comprised of:

Active employees	5
Retirees and beneficiaries currently receiving benefits	3
Terminated employees entitled to benefits but not yet receiving them	-
Total	<u>8</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.

FUNDING REQUIREMENTS

On December 18, 1984, act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfunded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 6 - TOWNSHIP PENSION PLANS (Continued)

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2004. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

NOTE 7 - 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 8 - 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.

***SUPPLEMENTAL
SCHEDULES***

**TOWNSHIP OF CRESCENT
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY) 2003</u>
<u>TAXES:</u>			
Real estate tax - current	\$ 421,030	\$ 365,060	\$ 337,028
Real estate tax - prior	29,000	55,473	28,808
Real estate tax - lienied	8,000	31,259	13,581
Delinquent tax penalties	2,000	3,828	3,047
Real estate transfer tax	60,000	62,155	71,149
Earned income tax	168,000	178,625	176,888
Occupational privilege tax	1,000	300	795
TOTAL TAXES	\$ 689,030	\$ 696,700	\$ 631,296
<u>LICENSES AND PERMITS:</u>			
Vending and amusement	\$ 2,500	\$ 2,260	\$ 2,475
Cable franchise fees	22,000	26,871	24,512
Street and curb permits	1,000	1,090	600
One call dividend	100	38	67
TOTAL LICENSES AND PERMITS	\$ 25,600	\$ 30,259	\$ 27,654
<u>FINES AND FORFEITURES:</u>			
Vehicle code violations	\$ 14,000	\$ 12,831	\$ 11,215
State police fines	1,500	2,153	1,678
TOTAL FINES AND FORFEITURES	\$ 15,500	\$ 14,984	\$ 12,893
<u>INTEREST AND RENTS:</u>			
Interest earnings	\$ 600	\$ 1,426	\$ 1,164
Rent of land	-	-	18,750
Rents	3,500	3,750	2,800
TOTAL INTEREST AND RENTS	\$ 4,100	\$ 5,176	\$ 22,714
<u>INTERGOVERNMENTAL:</u>			
Public utility realty tax	\$ 1,000	\$ 890	\$ 1,174
Alcoholic beverage licenses	400	400	400
COPS Grant	7,200	26,082	18,077
Police Equipment Grant	-	20,000	-
Pension state aid	9,000	9,869	-
DUI task force reimbursement	-	-	1,470
Foreign fire insurance tax	12,000	11,802	12,310
Regional sales tax allocation	42,000	41,284	40,841
TOTAL INTERGOVERNMENTAL	\$ 71,600	\$ 110,327	\$ 74,272

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2003
CHARGES FOR SERVICES:			
Zoning and subdivision	\$ 300	\$ 265	\$ 1,686
Building permits	12,000	10,426	25,299
Use and occupancy permits	2,000	1,942	2,630
BOCA Review	500	-	-
Electrical inspections	3,000	2,825	8,475
Snow removal	12,000	529	10,987
Solid waste collection and disposal	129,500	101,359	86,176
Portnoff/Creditech delinquent garbage fees	9,000	7,956	9,951
Misc receipts - reports, maps, etc.	100	261	1,098
Lien letters	1,000	1,260	2,000
Task Force RMB	3,000	1,422	-
Police reports	500	390	670
TOTAL CHARGES FOR SERVICES	\$ 172,900	\$ 128,635	\$ 148,972
OTHER FINANCIAL SOURCES:			
Transfer from capital reserve fund	\$ 10,000	\$ 25,000	\$ 25,000
Transfer from Capital Project fund	-	1,065	-
Transfer from Highway Account	-	-	4,148
Tax anticipation loan	250,000	200,000	150,000
Loan Proceeds	-	10,000	-
Sale of Assets	-	1,000	12,250
Refund prior year expenses	6,000	5,991	5,916
Unknown	-	2,600	-
TOTAL FINANCIAL SOURCES	\$ 266,000	\$ 245,656	\$ 197,315
TOTAL RECEIPTS	\$ 1,244,730	\$ 1,231,736	\$ 1,115,116

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2003
<u>GENERAL GOVERNMENT:</u>			
<u>LEGISLATIVE BODY:</u>			
Personal services	\$ 400	\$ 55	\$ 287
Commissioners	9,000	8,667	7,500
Advertising	-	1,668	2,224
PLGSA Conference Ad	-	-	125
Association dues and expense	11,500	10,436	8,111
TOTAL LEGISLATIVE BODY	\$ 20,900	\$ 20,826	\$ 18,247
<u>EXECUTIVE:</u>			
Salary - secretary	\$ 48,000	\$ 37,924	\$ 46,000
Salary - assistant	23,000	29,532	13,720
Office supplies	4,000	5,745	10,100
Office phone	4,000	2,301	3,839
PA one call fax charges	200	143	96
Maintenance and repair	2,000	901	55
Association dues	2,200	1,803	2,924
Education expense	500	-	2,106
TOTAL EXECUTIVE:	\$ 83,900	\$ 78,347	\$ 78,840
<u>FINANCIAL ADMINISTRATION:</u>			
Rodan	\$ -	\$ 3,200	\$ -
ADP	-	3,442	-
Realstats	-	1,200	-
Comcast	-	738	-
Professional auditors	2,800	1,300	2,590
TOTAL FINANCIAL ADMINISTRATION	\$ 2,800	\$ 9,880	\$ 2,590
<u>TAX COLLECTION:</u>			
Salary - treasurer and tax collector	\$ 10,000	\$ 10,000	\$ 10,000
Commissions:			
Occupational privilege tax	-	25	-
Delinquent property tax	3,300	5,151	3,309
General expenses:			
Treasurer	1,200	1,027	851
Wage tax - PMS expense	2,500	3,544	3,114
Computer maintenance	600	1,268	(150)
Bank fees	-	-	999
Computer forms	1,000	491	627
Liened property	1,700	2,218	2,098
Association dues and expenses	1,000	700	632
TOTAL TAX COLLECTION	\$ 21,300	\$ 24,424	\$ 21,478
<u>LEGAL SERVICES:</u>			
Solicitor quarterly compensation	\$ 39,500	\$ 39,500	\$ 16,814
Other legal fees	-	25,456	31,192
Other legal filing fees	500	1,096	-
Association and Dues	2,000	1,723	1,410
TOTAL LEGAL SERVICES	\$ 42,000	\$ 67,776	\$ 49,416

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2003
ENGINEER:			
Engineer/architect fees	\$ 12,000	\$ 8,510	\$ 9,808
TOTAL ENGINEER	\$ 12,000	\$ 8,510	\$ 9,808
GOVERNMENT BUILDING & PLANT:			
Cleaning services	\$ 6,000	\$ 6,034	\$ 4,797
Supplies	3,000	2,258	2,133
Utilities	15,000	13,448	14,261
Building maintenance and repair	3,500	7,835	5,854
TOTAL GOVERNMENT BUILDING & PLANT	\$ 27,500	\$ 29,575	\$ 27,045
TOTAL GENERAL GOVERNMENT	\$ 210,400	\$ 239,338	\$ 207,425
PUBLIC SAFETY:			
POLICE PROTECTION:			
Salary - chief	\$ 45,000	\$ 45,233	\$ 42,140
Wages - patrolmen	97,780	127,312	116,859
Task Force Wages	3,000	1,502	3,090
Overtime	10,000	8,663	-
Uniform allowance	1,000	3,274	2,814
Supplies	4,000	10,041	11,006
Gasoline and oil	5,000	6,759	4,775
Vehicle maintenance	5,000	2,455	4,548
Pre-Employment Physicals	200	365	443
Telephone	2,300	1,791	2,271
S-1 region	1,100	550	1,100
Cell phone	2,000	4,102	3,162
Radio equipment maintenance	400	687	822
Purchase police radio	1,400	1,173	-
Computer maintenance	2,500	-	-
Investigation fund	100	-	-
Lock-up fees	600	-	600
Association dues and expenses	1,400	972	996
Education expense	250	268	317
Moon - dispatch	4,000	2,837	2,541
Demolition	-	1,198	-
Capital purchases	2,000	10,745	1,282
TOTAL POLICE PROTECTION	\$ 189,030	\$ 229,925	\$ 198,763
FIRE PROTECTION:			
Fire Company Utilities	\$ 15,000	\$ 15,219	\$ 13,398
Fire hydrant rental	8,500	3,938	5,906
Fire department contribution	1,500	1,500	1,500
Foreign fire insurance	12,300	11,802	12,310
Equipment purchase	5,000	5,099	199
TOTAL FIRE PROTECTION	\$ 42,300	\$ 37,557	\$ 33,314

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2003
<u>AMBULANCE SERVICE:</u>			
General expense	\$ 600	\$ 600	\$ 600
TOTAL AMBULANCE SERVICE	\$ 600	\$ 600	\$ 600
<u>PROTECTIVE INSPECTION:</u>			
Permits and Electrical Inspections	\$ 9,700	\$ 3,046	\$ 11,846
TOTAL PROTECTIVE INSPECTION	\$ 9,700	\$ 3,046	\$ 11,846
<u>PLANNING AND ZONING:</u>			
Building inspector wages	\$ 18,000	\$ 7,624	\$ 16,991
Zoning hearing board expenses	750	-	-
Planning & zoning expenses	750	120	120
TOTAL PLANNING AND ZONING	\$ 19,500	\$ 7,744	\$ 17,111
TOTAL PUBLIC SAFETY	\$ 261,130	\$ 278,871	\$ 261,634
<u>PUBLIC WORKS:</u>			
<u>SANITATION:</u>			
Contracted services	\$ 103,400	\$ 87,906	\$ 87,906
Billing service	4,000	2,139	3,733
Portnoff Assoc. delinquent collector	2,500	1,680	2,334
TOTAL SANITATION	\$ 109,900	\$ 91,724	\$ 93,973
<u>HIGHWAYS:</u>			
Salaries and wages	\$ 107,600	\$ 107,916	\$ 103,501
Uniform allowance	1,000	2,888	2,455
Materials and supplies	9,000	14,962	11,509
Vehicle fuel	4,000	3,477	3,928
Highway materials	23,000	29,155	48,975
Street lighting	12,000	3,454	16,039
Repair and maintenance	11,200	7,710	10,337
Communications	1,900	1,988	2,093
General expense	400	132	1,518
Capital construction - roads	40,000	4,000	18,321
TOTAL HIGHWAYS	\$ 210,100	\$ 175,681	\$ 218,675
TOTAL PUBLIC WORKS	\$ 320,000	\$ 267,405	\$ 312,648

TOWNSHIP OF CRESCENT
DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2003
CULTURE AND RECREATION:			
RECREATION:			
Materials and supplies	\$ 4,500	\$ 2,850	\$ 4,653
Park board events	3,000	2,914	2,487
Professional services	5,000	3,828	3,900
Utilities	3,000	4,657	5,440
Capital purchases	3,000	3,025	3,000
Civic Club donation	1,000	1,000	1,000
TOTAL RECREATION	\$ 19,500	\$ 18,273	\$ 20,480
SENIOR CITIZEN'S CENTER:			
General expense	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL SENIOR CITIZEN'S CENTER	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL CULTURE AND RECREATION	\$ 20,500	\$ 19,273	\$ 21,480
DEBT SERVICE:			
Purdy Road Payment to Moon Twp	\$ -	\$ -	\$ 21,000
Mun Bldg Loan Payment	-	-	3,766
Backhoe 2 yrs	12,500	12,988	-
DCED Loan Police	4,500	4,500	-
AIM Loan Police	30,000	30,000	-
Debt Interest	5,000	5,385	1,061
TAN interest	4,000	-	-
TAN Principal	200,000	160,000	150,000
TOTAL DEBT SERVICE	\$ 256,000	\$ 212,873	\$ 175,827
MISCELLANEOUS:			
Intergovernmental	\$ 2,200	\$ -	\$ -
Health and disability insurance	70,000	79,916	55,417
Non-uniform pension contribution	4,800	215	-
Social security taxes - township share	24,000	29,154	26,652
Unemployment compensation insurance	1,600	1,758	1,834
Workmens compensation insurance	20,000	15,053	16,419
Package insurance	27,000	34,045	32,088
Public official insurance	2,200	2,309	2,206
Miscellaneous	-	2,134	831
Police professional insurance	2,700	2,710	2,700
Bonds	800	1,250	724
TOTAL MISCELLANEOUS	\$ 155,300	\$ 168,544	\$ 138,872
OTHER FINANCING USES:			
Interfund transfers	\$ -	\$ 25,000	\$ -
Refund of prior year receipts	3,600	8,691	6,575
TOTAL OTHER FINANCING USES	\$ 3,600	\$ 33,691	\$ 6,575
TOTAL DISBURSEMENTS AND OTHER FINANCING USES	\$ 1,226,930	\$ 1,219,996	\$ 1,124,461

**TOWNSHIP OF CRESCENT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
DEVELOPER ESCROWS
DECEMBER 31, 2004**

	<u>M SQUARED LEGAL</u>	<u>M SQUARED ENGINEERING</u>	<u>PARKWOOD DEVELOPMENT ENGINEERING</u>	<u>PARKWOOD DEVELOPMENT LEGAL</u>	<u>TOTAL</u>
ASSETS:					
Cash:					
Checking	\$ 2,507	\$ 4,474	\$ 1,090	\$ 5,035	\$ 13,106
TOTAL ASSETS	<u>\$ 2,507</u>	<u>\$ 4,474</u>	<u>\$ 1,090</u>	<u>\$ 5,035</u>	<u>\$ 13,106</u>
LIABILITIES:					
Due to Developers	\$ 2,507	\$ 4,474	\$ 1,090	\$ 5,035	\$ 13,106
TOTAL LIABILITIES	<u>\$ 2,507</u>	<u>\$ 4,474</u>	<u>\$ 1,090</u>	<u>\$ 5,035</u>	<u>\$ 13,106</u>

***SUPPLEMENTARY
INFORMATION***

TOWNSHIP OF CRESCENT
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
DECEMBER 31, 2004

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
2004	-	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
2004	3,959	100%

TOWNSHIP OF CRESCENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2004

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%