

**TOWNSHIP OF CRESCENT**



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**TOWNSHIP OF CRESCENT**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**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, 2008, 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 opinions 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).

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 opinions.

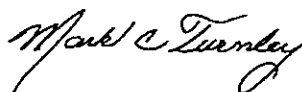
As described in Note 2, the Township prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2008, and the respective changes in cash basis financial position thereof and the budgetary comparison for the General Fund 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 29-30 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 basic financial statements of the Township of Crescent. The supplementary schedules (cash basis) 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 stated in all material respects in relation to the basic financial statements taken as a whole.



Mark C. Turnley, CPA

September 4, 2009  
Ambridge, Pennsylvania

TOWNSHIP OF CRESCENT  
STATEMENT OF NET ASSETS (CASH BASIS)  
DECEMBER 31, 2008

EXHIBIT A

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 274,612
Investments	55,706
<b>Total Current Assets</b>	<u>\$ 330,318</u>
<b>TOTAL ASSETS</b>	<u>\$ 330,318</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Payroll Withholdings	\$ 1,016
Bond Escrow	11,422
<b>Total Current Liabilities</b>	<u>\$ 12,438</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 12,438</u>
<b>NET ASSETS</b>	
Unrestricted	\$ 317,880
<b>TOTAL NET ASSETS</b>	<u>\$ 317,880</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, 2008**

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	\$ 261,794	\$ -	(213,883)
Public Safety - Police	297,754	-	(286,739)
Public Safety - Fire	97,513	14,367	(83,146)
Public Safety - Other	4,121	-	452
Public Works - Sanitation	148,923	-	2,474
Public Works - Highways	385,135	51,016	(300,556)
Culture and Recreation	26,185	-	(24,860)
Debt Service	68,653	-	(68,653)
Insurance and Employee Benefits	190,662	-	(170,709)
Miscellaneous	2,334	3,331	997
<b>Total Governmental Activities</b>	<b>\$ 1,483,074</b>	<b>\$ 68,714</b>	<b>(1,144,623)</b>
<b>Total Primary Government</b>	<b>\$ 1,483,074</b>	<b>\$ 68,714</b>	<b>\$ (1,144,623)</b>
 <b>General Receipts:</b>			
Taxes:			
Property Taxes, Levied for General Purposes (net)	\$		743,684
Act 511 Taxes			287,013
Public Utility Realty Tax/Alcohol Beverage Tax			1,814
Sales Tax			53,004
Investment Earnings			11,510
<b>Total General Receipts</b>			<b>1,097,025</b>
<b>Change in Net Assets</b>			<b>(47,598)</b>
Net Assets — January 1, 2008			365,478
<b>Net Assets — December 31, 2008</b>			<b>\$ 317,880</b>

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT  
 BALANCE SHEET (CASH BASIS)  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2008

	MAJOR GOVERNMENTAL FUNDS				NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PARKWOOD FUND	CAPITAL RESERVE FUND			
ASSETS:						
Cash and Cash Equivalents	\$ 98,229	\$ 11,425	\$ 164,958	\$ -	\$ -	\$ 274,612
Investments	1,630	-	5,888	48,188		55,706
<b>TOTAL ASSETS</b>	<b>\$ 99,859</b>	<b>\$ 11,425</b>	<b>\$ 170,846</b>	<b>\$ 48,188</b>	<b>\$ -</b>	<b>\$ 330,318</b>

LIABILITIES AND FUND BALANCES

LIABILITIES:						
Payroll Withholdings	\$ 1,016	\$ -	\$ -	\$ -	\$ -	\$ 1,016
Bond Escrow	-	11,422	-	-	-	11,422
<b>TOTAL LIABILITIES</b>	<b>\$ 1,016</b>	<b>\$ 11,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,438</b>

FUND BALANCES:

Undesignated - Unreserved	\$ 98,843	\$ 3	\$ 170,846	\$ 48,188	\$ -	\$ 317,880
<b>TOTAL FUND BALANCES</b>	<b>\$ 98,843</b>	<b>\$ 3</b>	<b>\$ 170,846</b>	<b>\$ 48,188</b>	<b>\$ -</b>	<b>\$ 317,880</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 99,859</b>	<b>\$ 11,425</b>	<b>\$ 170,846</b>	<b>\$ 48,188</b>	<b>\$ -</b>	<b>\$ 330,318</b>



**TOWNSHIP OF CRESCENT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	----- MAJOR GOVERNMENTAL FUNDS -----				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PARKWOOD FUND	CAPITAL RESERVE FUND	NON-MAJOR GOVERNMENTAL FUNDS	
<b>RECEIPTS</b>					
Taxes	\$ 1,030,697	\$ -	\$ -	\$ -	1,030,697
Licenses and Permits	44,833	-	-	-	44,833
Fines and Forfeitures	10,386	-	-	-	10,386
Interest and Rents	8,363	344	4,147	1,881	14,735
Intergovernmental	72,516	-	-	51,016	123,532
Charges for Services	178,949	-	-	-	178,949
<b>Total Receipts</b>	<b>\$ 1,345,744</b>	<b>\$ 344</b>	<b>\$ 4,147</b>	<b>\$ 52,897</b>	<b>\$ 1,403,132</b>
<b>DISBURSEMENTS</b>					
General Government	\$ 255,700	\$ 6,094	\$ -	\$ -	261,794
Public Safety - Police	284,051	-	13,703	-	297,754
Public Safety - Fire	24,242	-	-	73,271	97,513
Public Safety - Other	4,121	-	-	-	4,121
Public Works - Sanitation	148,923	-	-	-	148,923
Public Works - Highways	220,775	41,242	77,838	45,280	385,135
Culture and Recreation	26,185	-	-	-	26,185
Debt Service	318,653	-	-	-	318,653
Miscellaneous	190,052	-	610	-	190,662
<b>Total Disbursements</b>	<b>\$ 1,472,702</b>	<b>\$ 47,336</b>	<b>\$ 92,151</b>	<b>\$ 118,551</b>	<b>\$ 1,730,740</b>
<b>Excess ( Deficiency) of Receipts over Disbursements</b>	<b>\$ (126,958)</b>	<b>\$ (46,992)</b>	<b>\$ (88,004)</b>	<b>\$ (65,654)</b>	<b>\$ (327,608)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refund of Prior Year Expenses	\$ 19,953	\$ -	\$ 12,391	\$ -	32,344
Refund of Prior Year Receipts	(2,334)	-	-	-	(2,334)
Tax Anticipation Note	250,000	-	-	-	250,000
Operating Transfers In	-	-	27,719	53,416	81,135
Operating Transfers Out	(53,416)	(27,719)	-	-	(81,135)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 214,203</b>	<b>\$ (27,719)</b>	<b>\$ 40,110</b>	<b>\$ 53,416</b>	<b>\$ 280,010</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 87,245</b>	<b>\$ (74,711)</b>	<b>\$ (47,894)</b>	<b>\$ (12,238)</b>	<b>\$ (47,598)</b>
<b>FUND BALANCE - JANUARY 1, 2008</b>	<b>11,598</b>	<b>74,714</b>	<b>218,740</b>	<b>60,426</b>	<b>365,478</b>
<b>FUND BALANCE - DECEMBER 31, 2008</b>	<b>\$ 98,843</b>	<b>\$ 3</b>	<b>\$ 170,846</b>	<b>\$ 48,188</b>	<b>\$ 317,880</b>

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, 2008**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 997,500	\$ 997,500	\$ 1,030,697	\$ 33,197
Licenses and Permits	40,000	40,000	44,833	4,833
Fines and Forfeitures	10,000	10,000	10,386	386
Interest and Rents	17,500	17,500	8,363	(9,137)
Intergovernmental	69,400	69,400	72,516	3,116
Charges for Services	224,700	224,700	178,949	(45,751)
<b>Total Receipts</b>	<b>\$ 1,359,100</b>	<b>\$ 1,359,100</b>	<b>\$ 1,345,744</b>	<b>\$ (13,356)</b>
<b>DISBURSEMENTS</b>				
General Government	\$ 268,080	\$ 268,080	\$ 255,700	\$ 12,380
Public Safety - Police	295,572	295,572	284,051	11,521
Public Safety - Fire	23,900	23,900	24,242	(342)
Public Safety - Other	10,900	10,900	4,121	6,779
Public Works - Sanitation	186,400	186,400	148,923	37,477
Public Works - Highways	253,000	253,000	220,775	32,225
Culture and Recreation	25,600	25,600	26,185	(585)
Debt Service	319,000	319,000	318,653	347
Miscellaneous	207,800	207,800	190,052	17,748
<b>Total Disbursements</b>	<b>\$ 1,590,252</b>	<b>\$ 1,590,252</b>	<b>\$ 1,472,702</b>	<b>\$ 117,550</b>
<b>Excess ( Deficiency) of Receipts over Disbursements</b>	<b>\$ (231,152)</b>	<b>\$ (231,152)</b>	<b>\$ (126,958)</b>	<b>\$ 104,194</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Township Property	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Refund of Prior Year Expenses	12,352	12,352	19,953	7,601
Refund of Prior Year Receipts	(2,200)	(2,200)	(2,334)	(134)
Loan Proceeds	250,000	250,000	250,000	-
Operating Transfers In	20,000	20,000	-	(20,000)
Operating Transfers Out	(53,000)	(53,000)	(53,416)	(416)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 231,152</b>	<b>\$ 231,152</b>	<b>\$ 214,203</b>	<b>\$ (16,949)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,245</b>	<b>\$ 87,245</b>
<b>FUND BALANCE - JANUARY 1, 2008</b>	<b>-</b>	<b>-</b>	<b>11,598</b>	<b>11,598</b>
<b>FUND BALANCE - DECEMBER 31, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,843</b>	<b>\$ 98,843</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2008**

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>	<u>ESCROW DEVELOPERS FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,987
Investments - PMRS	657,851	376,736	-
<b>TOTAL ASSETS</b>	<u>\$ 657,851</u>	<u>\$ 376,736</u>	<u>\$ 4,987</u>
<b>LIABILITIES</b>			
Other Current Liabilities	\$ -	\$ -	\$ 4,987
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,987</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	\$ 657,851	\$ 376,736	
<b>TOTAL NET ASSETS</b>	<u>\$ 657,851</u>	<u>\$ 376,736</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, 2008**

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ -	\$ 8,738
Plan Members	-	5,093
Total Contributions	<u>\$ -</u>	<u>\$ 13,831</u>
Investment Earnings		
Interest	\$ 37,237	\$ 20,866
Total Investment Earnings	<u>\$ 37,237</u>	<u>\$ 20,866</u>
Less investment Expense	-	-
Net Investment Earnings	<u>\$ 37,237</u>	<u>\$ 20,866</u>
<b>TOTAL ADDITIONS</b>	<u><b>\$ 37,237</b></u>	<u><b>\$ 34,697</b></u>
<b>DEDUCTIONS</b>		
Refunds of Member Contributions	\$ -	\$ 6,123
Administrative Expenses	80	160
Allocated Insurance Premiums	276	123
<b>TOTAL DEDUCTIONS</b>	<u><b>\$ 356</b></u>	<u><b>\$ 6,406</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 36,881</b>	<b>\$ 28,291</b>
<b>NET ASSETS - JANUARY 1, 2008</b>	<u>620,970</u>	<u>348,445</u>
<b>NET ASSETS - DECEMBER 31, 2008</b>	<u><b>\$ 657,851</b></u>	<u><b>\$ 376,736</b></u>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**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, 2008**

**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. 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, 2008.
  - 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, 2008**

**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.

**PARKWOOD FUND (CAPITAL PROJECT)** - Established in 2006 from the insurance proceeds received from Kemper Insurance Company on the performance bond of Parkwood Development Company for the construction of the Parkwood slide and pond.

**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:**

**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

**FIRE DEPARTMENT FUND (SPECIAL REVENUE)** - Established in 2005 to accumulate monies to assist the Township's volunteer fire department in defraying a portion of its' annual operating costs. Funding is received through transfers from the General Fund through a designation of one-half mill from the overall real estate tax millage assessed to property owners in the Township

**FIRE DEPARTMENT PROTECTIVE EQUIPMENT GRANT FUND (SPECIAL REVENUE)** - Established in 2006 from a \$15,000 grant received from the Department of Community and Economic Development to support the purchase of personal protective equipment for the Township's Volunteer Fire Department.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**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).

**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 – Cable Franchise fees, 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
- Culture and Recreation – Shouse park rentals



**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)**

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.

**BUDGETS**

On December 12, 2007, 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 \$1,645,452 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 Section 1705 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.
- 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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS (Continued)**

Governmental fund type investments include 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.

The Township of Crescent investment portfolio is in compliance with Section 1705 of the First Class Township Code at December 31, 2008.

**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. During the 2008 year, the General Fund transferred \$53,416 to the Fire Department Fund for its portion of the real estate tax millage (.0005) assessment. The Parkwood Fund transferred \$27,719 to the Capital Reserve Fund as reimbursement for previously paid operating costs.

**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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET ASSETS (Continued)**

- 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.

**FUND BALANCE RESERVES**

The Township reserves those portions of fund equity which are legally segregated for specific future use or which do not represent expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods.

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

At December 31, 2008, the Township of Crescent had the following carrying values on its cash and cash equivalent accounts:

	<b>Bank Balance</b>	<b>(Memo Only) Book Balance</b>
Major Governmental Funds	\$ 284,433	\$ 274,612
Agency Funds	4,987	4,987
<b>TOTAL</b>	<b>\$ 289,420</b>	<b>\$ 279,599</b>

The difference between the bank and book balance represents reconciling items such as deposits in transit and outstanding checks. The first \$250,000 held at PNC Bank and Citizens Bank is insured through the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2008, \$34,433 of the Township’s bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township’s name. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits at each depository in excess of \$250,000, if any, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS**

The following represents the fair value of the Township's governmental and fiduciary fund investments as of December 31, 2008:

	<u>Fair Value</u>
PLGIT	\$ 55,706
<b>Total Governmental Investments</b>	<b>\$ 55,706</b>
PMRS	\$ 1,034,587
<b>Total Fiduciary Investments</b>	<b>\$ 1,034,587</b>

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The fund operates in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund uses amortized cost to report net assets to compute share prices. The fund maintains net asset values of \$1 per share. Accordingly, the fair value of the position in this fund is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization and PLGIT annual report can be obtained by accessing the web at [www.plgit.com](http://www.plgit.com).

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. PLGIT has the characteristics of open-end mutual funds and are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Township does not have a policy that would limit its investment choices to those with certain credit ratings.

**Credit Risk:**

Section 1705 of the First Class Township Code and the Intergovernmental Cooperation Act limits the Township to certain types of investments. The Township does not have an investment policy that further limits its investment choices.

**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, 2008	(Discount period)
July 1 – August 31, 2008	(Face period)
September 1 and after	(Penalty period)

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 4 - PROPERTY TAXES (Continued)**

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 2008 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 2008 totaling \$64,649 as of December 31, 2008. This represents 8.7% of the Township's original assessment for the year totaling \$739,800.

The tax millage assessment for the 2008 calendar year is 6.5 mills on the assessed value of land and buildings (\$113,815,341), which represents \$6.50 of revenue for every \$1,000 of assessed value. Total millage is comprised of 6 mills for general operations and .5 mills for the operations of the Township's Volunteer Fire Department. The Township recognized property tax revenue when received during the fiscal year. Accordingly, no provision has been made for amounts estimated to be uncollectable.

**NOTE 5 - LONG TERM DEBT**

**NOTE PAYABLE**

During 2002, The Township of Crescent entered into general obligation loan agreement to obtain funding for the enhancement of the Township Municipal Building. The 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 summary of the remaining debt service requirements on this note obligation as of December 31, 2008 is as follows:

<u>Year End</u> <u>Dec 31</u>	<u>DCED</u> <u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 4,910	\$ 601	\$ 5,511
2010	5,016	495	5,511
2011	5,125	386	5,511
2012	5,236	275	5,511
2013	5,350	161	5,511
2014	4,145	45	4,190
	<u>\$ 29,782</u>	<u>\$ 1,963</u>	<u>\$ 31,745</u>

**TAX ANTICIPATION NOTE**

In January of 2008, the Township received a tax anticipation note in the amount of \$250,000 from Citizens Bank at an interest rate of 3.87% which was repaid by the Township in December of 2008.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 5 - LONG TERM DEBT (Continued)**

**LEASE PAYABLE**

In February of 2005, the Township of Crescent entered into a lease agreement with Ford Credit for the purchase of a 2005 Ford F-550 in the amount of \$53,329. The lease calls for two initial payments of \$6,000 in 2005 followed by four (4) annual principal and interest payments of \$12,259.84 at an interest rate of 5.9% beginning in July of 2006.

In March of 2007, the Township of Crescent entered into a lease agreement with Huntington National Bank for the purchase of a 2007 Peterbilt 340 10 Ton Dump Truck in the amount of 74,223. The lease calls for four annual payments of \$12,309 beginning July of 2007 followed by one payment of \$35,316 in July of 2011 at an interest rate of 4.58%.

A summary of the minimum lease payments due on this obligation is as follows:

<u>Year End</u> <u>Dec 31</u>	<u>2005</u> <u>F-550</u>	<u>2007</u> <u>DUMP</u>	<u>Interest</u>
2009	\$ 11,577	\$ 9,810	\$ 3,182
2010	-	10,265	2,043
2011	-	33,760	1,567
	<u>\$ 11,577</u>	<u>\$ 53,835</u>	<u>\$ 6,792</u>

The following represents the changes in the Township's long-term liabilities during 2008:

	<u>Balance</u> <u>1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2008</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Notes	\$ 64,622	\$ -	\$ 34,840	\$ 29,782	\$ 4,910
Lease Obligations	85,703	-	20,291	65,412	21,387
	<u>\$ 150,325</u>	<u>\$ -</u>	<u>\$ 55,131</u>	<u>\$ 95,194</u>	<u>\$ 26,297</u>

**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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 6 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

Plan membership as of December 31, 2008 was comprised of:

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

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 6.0% 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.

Plan membership as of December 31, 2008 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>

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 6 – TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM EMPLOYEES PENSION FUND (Continued)**

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 6.0% 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.

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2008. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.



**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 7 – OPERATING LEASE**

In October of 2007, the Township of Crescent entered into an agreement with G.E. Capital to lease certain office equipment. The terms of the lease call for the monthly payment of \$127 for a period of sixty (60) months. Lease expense for the calendar year 2008 totaled \$1,524. As of December 31, 2008 there are 48 payments remaining under this lease obligation.

**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. Legal services in the amount of \$5,640 were accrued and unbilled to the Township as of December 31, 2008.

**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 expenditure 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.

***SUPPLEMENTAL  
SCHEDULES***

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2007
<b><u>TAXES:</u></b>			
Real estate tax - current	\$ 680,000	\$ 666,160	\$ 660,943
Real estate tax - prior	35,000	32,110	31,353
Real estate tax - liened	20,000	45,414	20,247
Real estate tax - penalties/interest	1,000	-	3,061
Real estate transfer tax	35,000	34,148	43,968
Earned income tax - current	198,500	217,069	200,087
Earned income tax - liened	-	-	1,212
Earned income tax - penalties/interest	8,000	29,606	18,186
EMS tax	20,000	6,190	10,469
<b>TOTAL TAXES</b>	<b>\$ 997,500</b>	<b>\$ 1,030,697</b>	<b>\$ 989,527</b>
<b><u>LICENSES AND PERMITS:</u></b>			
Vending and amusement	\$ 4,000	\$ 7,755	\$ 4,080
Cable franchise fees	33,500	36,793	34,006
Street and curb permits	2,500	255	3,120
Solicitation Permit	-	30	20
<b>TOTAL LICENSES AND PERMITS</b>	<b>\$ 40,000</b>	<b>\$ 44,833</b>	<b>\$ 41,226</b>
<b><u>FINES AND FORFEITURES:</u></b>			
Vehicle code violations	\$ 7,500	\$ 8,402	\$ 8,992
State police fines	2,500	1,984	2,255
<b>TOTAL FINES AND FORFEITURES</b>	<b>\$ 10,000</b>	<b>\$ 10,386</b>	<b>\$ 11,247</b>
<b><u>INTEREST AND RENTS:</u></b>			
Interest	\$ 14,000	\$ 5,138	\$ 21,397
Multi-purpose room rental	1,500	1,900	1,400
Shouse Park rentals (net)	2,000	1,325	1,838
<b>TOTAL INTEREST AND RENTS</b>	<b>\$ 17,500</b>	<b>\$ 8,363</b>	<b>\$ 24,634</b>
<b><u>INTERGOVERNMENTAL:</u></b>			
Public utility realty tax	\$ 1,000	\$ 1,414	\$ 1,508
Alcoholic beverage licenses	400	400	400
Pension state aid	9,000	3,331	9,624
Foreign fire insurance tax	14,000	14,367	14,047
Regional sales tax allocation	45,000	53,004	51,197
<b>TOTAL INTERGOVERNMENTAL</b>	<b>\$ 69,400</b>	<b>\$ 72,516</b>	<b>\$ 76,776</b>

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT  
DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2007</u>
<b><u>CHARGES FOR SERVICES:</u></b>			
Zoning and subdivision	\$ 300	\$ 179	\$ 380
Building permits	10,000	4,394	6,914
Electrical inspections	1,500	-	225
Civil Service Exams	500	-	250
Snow removal	9,500	21,172	-
Solid waste collection and disposal	195,000	142,285	133,508
Portnoff/Creditech delinquent garbage fees	5,000	9,113	12,454
Misc receipts - reports, maps, etc.	200	398	3,112
Lien letters	1,500	780	1,289
Task Force RMB	1,000	224	1,167
Police reports	200	405	210
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ 224,700</b>	<b>\$ 178,949</b>	<b>\$ 159,509</b>
<b><u>OTHER FINANCIAL SOURCES:</u></b>			
Transfer from Capital Reserve Fund	\$ 20,000	\$ -	\$ 100,000
Transfer from Parkwood Fund	-	-	77,969
Tax anticipation loan	250,000	250,000	250,000
Sale of Assets	4,000	-	6,250
Refund prior year expenses	12,352	19,953	13,632
Tax Refund	-	-	18,378
<b>TOTAL FINANCIAL SOURCES</b>	<b>\$ 286,352</b>	<b>\$ 269,953</b>	<b>\$ 466,229</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 1,645,452</b>	<b>\$ 1,615,696</b>	<b>\$ 1,769,148</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2007
<b>GENERAL GOVERNMENT:</b>			
<b>LEGISLATIVE BODY:</b>			
Personal services	\$ 300	\$ 163	\$ 80
Commissioners	7,500	4,902	4,500
Advertising	6,000	6,052	7,798
Association dues and expense	9,000	5,951	8,844
<b>TOTAL LEGISLATIVE BODY</b>	<b>\$ 22,800</b>	<b>\$ 17,067</b>	<b>\$ 21,221</b>
<b>EXECUTIVE:</b>			
Salary - secretary	\$ 39,000	\$ 39,000	\$ 28,539
Salary - assistant	28,080	27,857	20,316
Office - Clerk	-	-	268
Office supplies	2,500	2,256	1,936
Vehicle Maint	-	-	23
Cell phone	500	428	486
PA one call fax charges	100	89	46
Maintenance and repair	2,000	2,352	1,116
Association dues	2,000	2,100	2,083
Misc	2,000	-	640
Copier Expenses	2,000	2,121	1,082
Education expense	2,700	2,733	3,256
<b>TOTAL EXECUTIVE:</b>	<b>\$ 80,880</b>	<b>\$ 78,937</b>	<b>\$ 59,791</b>
<b>FINANCIAL ADMINISTRATION:</b>			
Rodan	\$ 1,500	\$ -	\$ 985
Realstats	1,600	1,600	1,600
Comcast	1,200	1,140	1,140
Professional auditors	2,500	3,055	2,355
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>\$ 6,800</b>	<b>\$ 5,795</b>	<b>\$ 6,080</b>
<b>TAX COLLECTION:</b>			
Salary - treasurer and tax collector	\$ 10,000	\$ 10,000	\$ 10,000
Delinquent property tax	3,500	3,872	4,872
Treasurer	2,500	2,357	2,216
Wage tax - PMS expense	3,500	-	3,711
Computer maintenance	2,000	400	-
EIT - Keystone Commission	-	5,680	-
EMST - Keystone Commission	500	273	625
Computer forms	1,500	2,964	2,471
Liened property	3,000	5,346	2,685
Association dues and expenses	1,000	237	134
<b>TOTAL TAX COLLECTION</b>	<b>\$ 27,500</b>	<b>\$ 31,128</b>	<b>\$ 26,714</b>
<b>LEGAL SERVICES:</b>			
Solicitor quarterly compensation	\$ 45,000	\$ 45,000	\$ 41,770
Solicitor expenses	3,000	3,000	-
Other legal fees	1,000	739	142
Labor Counsel	12,000	19,608	10,783
Association and Dues	2,200	1,598	1,047
<b>TOTAL LEGAL SERVICES</b>	<b>\$ 63,200</b>	<b>\$ 69,944</b>	<b>\$ 53,742</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2007
<b>ENGINEER:</b>			
Engineer/architect fees	\$ 15,000	\$ 20,455	\$ 17,648
<b>TOTAL ENGINEER</b>	<b>\$ 15,000</b>	<b>\$ 20,455</b>	<b>\$ 17,648</b>
<b>GOVERNMENT BUILDING &amp; PLANT:</b>			
Cleaning services	\$ 8,400	\$ 7,720	\$ 7,720
Supplies	4,000	1,369	4,419
Phones	5,500	2,885	4,551
Utilities	17,500	14,907	13,515
Capital Projects	10,000	500	610
Building maintenance and repair	6,500	4,994	6,123
<b>TOTAL GOVERNMENT BUILDING &amp; PLANT</b>	<b>\$ 51,900</b>	<b>\$ 32,375</b>	<b>\$ 36,938</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 268,080</b>	<b>\$ 255,700</b>	<b>\$ 222,134</b>
<b>PUBLIC SAFETY:</b>			
<b>POLICE PROTECTION:</b>			
Salary - chief	\$ 57,907	\$ 57,931	\$ 55,704
Wages - patrolmen	83,392.00	79,506.70	66,471.80
Wages - sergeants	74,048.00	73,158.00	69,232.80
Task Force Wages	1,500	1,805	832
Overtime	29,500	23,453	36,340
Uniform allowance	3,900	3,998	3,759
Supplies	4,000	4,252	4,710
Gasoline and oil	11,000	14,356	9,718
Vehicle maintenance - old car	5,000	1,826	3,860
Vehicle Wireless Computer Fee	3,250	1,900	2,966
Pre-Employment Physicals	500	88	-
S-1 region	1,100	1,100	1,100
Cell phone	3,000	2,501	3,377
Radio equipment maintenance	750	678	412
Purchase police radio	500	-	500
Computer maintenance	1,500	1,125	2,706
Investigation fund	100	-	100
Lock-up fees	600	-	800
Association dues and expenses	1,500	1,656	1,471
Education expense	250	720	-
Moon - dispatch	3,400	2,882	2,497
Civil Service Exams	500	90	193
Ammunition	1,000	2,500	-
Capital purchases	7,375	8,524	9,051
<b>TOTAL POLICE PROTECTION</b>	<b>\$ 295,572</b>	<b>\$ 284,051</b>	<b>\$ 275,800</b>
<b>FIRE PROTECTION:</b>			
Fire hydrant rental	\$ 8,400	\$ 8,375	\$ 8,375
Fire department contribution	1,500	1,500	1,500
Foreign fire insurance	14,000	14,367	14,047
<b>TOTAL FIRE PROTECTION</b>	<b>\$ 23,900</b>	<b>\$ 24,242</b>	<b>\$ 23,922</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2007
<b><u>AMBULANCE SERVICE:</u></b>			
General expense	\$ 600	\$ 600	\$ 600
<b>TOTAL AMBULANCE SERVICE</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>
<b><u>PLANNING AND ZONING:</u></b>			
Building inspector wages	\$ 9,000	\$ 3,521	\$ 7,183
Zoning hearing board	100	-	-
Zoning hearing board - solicitor	600	-	-
Planning & Zoning - Other	-	-	239
Planning and zoning expenses	400	-	-
Dues, memberships, and subscriptions	100	-	-
Education expense	100	-	-
<b>TOTAL PLANNING AND ZONING</b>	<b>\$ 10,300</b>	<b>\$ 3,521</b>	<b>\$ 7,422</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 330,372</b>	<b>\$ 312,414</b>	<b>\$ 307,744</b>
<b><u>PUBLIC WORKS:</u></b>			
<b><u>SANITATION:</u></b>			
Contracted services	\$ 179,400	\$ 142,439	\$ 125,689
Billing service	3,000	3,229	2,437
Portnoff Assoc. delinquent collector	4,000	3,255	3,500
<b>TOTAL SANITATION</b>	<b>\$ 186,400</b>	<b>\$ 148,923</b>	<b>\$ 131,626</b>
<b><u>HIGHWAYS:</u></b>			
Road wages	\$ 117,000	\$ 98,519	\$ 105,237
Overtime	6,000	3,918	4,730
Uniform allowance	1,200	596	595
Materials and supplies	7,000	4,574	9,334
Vehicle fuel	7,000	8,090	5,341
Highway materials	45,000	43,424	44,399
Equipment Rental/Purchase	2,000	1,735	3,363
Vehicle repair and maintenance	11,000	16,946	11,810
Tires	2,000	-	2,240
CDL testing expenses	400	287	268
Cell phone	1,400	1,369	1,118
Education/training	1,000	-	-
Capital construction-roads	40,000	40,408	144,676
Capital purchases	12,000	910	3,935
<b>TOTAL HIGHWAYS</b>	<b>\$ 253,000</b>	<b>\$ 220,775</b>	<b>\$ 337,049</b>
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 439,400</b>	<b>\$ 369,698</b>	<b>\$ 468,675</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2007
<b><u>CULTURE AND RECREATION:</u></b>			
<b><u>RECREATION:</u></b>			
Materials and supplies	\$ 3,000	\$ 3,491	\$ 3,008
Park board events	3,800	3,673	2,954
Professional services	1,000	1,994	-
Grass maintenance	10,000	9,880	9,120
Utilities	2,000	1,348	1,771
Parks Board	3,800	3,800	2,817
Civic Club donation	1,000	1,000	1,000
<b>TOTAL RECREATION</b>	<b>\$ 24,600</b>	<b>\$ 25,185</b>	<b>\$ 20,671</b>
<b><u>SENIOR CITIZEN'S CENTER:</u></b>			
General expense	\$ 1,000	\$ 1,000	\$ 1,000
<b>TOTAL SENIOR CITIZEN'S CENTER</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>TOTAL CULTURE AND RECREATION</b>	<b>\$ 25,600</b>	<b>\$ 26,185</b>	<b>\$ 21,671</b>
<b><u>DEBT SERVICE:</u></b>			
10 Ton Truck	\$ 13,000	\$ 12,309	\$ 12,519
DCED Loan Police	4,500	5,496	5,496
AIM Loan Police	32,200	31,077	32,154
Truck loan	12,300	12,260	12,260
TAN interest	7,000	7,511	10,966
TAN Principal	250,000	250,000	250,000
<b>TOTAL DEBT SERVICE</b>	<b>\$ 319,000</b>	<b>\$ 318,653</b>	<b>\$ 323,394</b>
<b><u>MISCELLANEOUS:</u></b>			
Intergovernmental	\$ 2,500	\$ 2,323	\$ 2,323
Health and disability insurance	100,000	88,797	90,830
Non-uniform pension contribution	9,600	-	9,612
Social security taxes - township share	28,500	26,763	25,781
Medicare - township share	6,700	6,259	6,029
Unemployment compensation insurance	2,000	2,335	1,653
Workmens compensation insurance	23,000	26,893	29,850
Package insurance	30,000	29,244	30,201
Public official insurance	2,500	3,056	2,246
Payroll Expense	-	525	3,428
Police professional insurance	2,500	2,500	2,794
Bonds	500	1,358	485
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 207,800</b>	<b>\$ 190,052</b>	<b>\$ 205,231</b>
<b><u>OTHER FINANCING USES:</u></b>			
Transfer to capital reserve fund	\$ -	\$ -	\$ 146,521
Transfer to Firemens Referendum	53,000	53,416	53,337
Refund prior year revenues	-	1,271	10,551
Refund property taxes	2,000	1,063	6,360
Refund wage taxes	200	-	169
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 55,200</b>	<b>\$ 55,750</b>	<b>\$ 216,939</b>
<b>TOTAL DISBURSEMENTS AND OTHER FINANCING USES</b>	<b>\$ 1,645,452</b>	<b>\$ 1,528,452</b>	<b>\$ 1,765,787</b>

The accompanying notes are an integral part of these financial statements



TOWNSHIP OF CRESCENT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>LIQUID FUELS FUND</u>	<u>FIRE DEPARTMENT FUND</u>	<u>TOTAL NON- MAJOR GOVERN. FUNDS</u>
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 26,710	\$ 21,478	\$ 48,188
<b>TOTAL RECEIPTS</b>	<u>\$ 26,710</u>	<u>\$ 21,478</u>	<u>\$ 48,188</u>
<b>LIABILITIES &amp; FUND BALANCE:</b>			
<b>LIABILITIES:</b>			
Other Current Liabilities	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>			
Unreserved	\$ 26,710	\$ 21,478	\$ 48,188
<b>TOTAL FUND BALANCES</b>	<u>\$ 26,710</u>	<u>\$ 21,478</u>	<u>\$ 48,188</u>
 <b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	 <u>\$ 26,710</u>	 <u>\$ 21,478</u>	 <u>\$ 48,188</u>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES**  
**IN FUND BALANCES - CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>LIQUID FUELS FUND</u>	<u>FIRE DEPARTMENT FUND</u>	<u>FIRE DEPARTMENT GRANT FUND</u>	<u>TOTAL</u>
<b>RECEIPTS:</b>				
Interest	\$ 850	\$ 1,031	\$ -	\$ 1,881
Intergovernmental	51,016	-	-	51,016
<b>TOTAL RECEIPTS</b>	<u>\$ 51,866</u>	<u>\$ 1,031</u>	<u>\$ -</u>	<u>\$ 52,897</u>
<b>OTHER FINANCING SOURCES:</b>				
Interfund transfers	\$ -	\$ 53,416	\$ -	\$ 53,416
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ -</u>	<u>\$ 53,416</u>	<u>\$ -</u>	<u>\$ 53,416</u>
<b>TOTAL RECEIPTS AND OTHER FINANCING SOURCES</b>	<u>\$ 51,866</u>	<u>\$ 54,447</u>	<u>\$ -</u>	<u>\$ 106,313</u>
<b>DISBURSEMENTS:</b>				
Public Safety	\$ -	\$ 72,949	\$ 322	\$ 73,271
Public Works	45,280	-	-	45,280
<b>TOTAL DISBURSEMENTS</b>	<u>\$ 45,280</u>	<u>\$ 72,949</u>	<u>\$ 322</u>	<u>\$ 118,551</u>
<b>OTHER FINANCING USES:</b>				
Interfund transfers	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL DISBURSEMENTS AND OTHER FINANCING USES</b>	<u>\$ 45,280</u>	<u>\$ 72,949</u>	<u>\$ 322</u>	<u>\$ 118,551</u>
<b>EXCESS RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 6,586</u>	<u>\$ (18,502)</u>	<u>\$ (322)</u>	<u>\$ (12,238)</u>
<b>FUND BALANCE - January 1, 2008</b>	<u>20,124</u>	<u>39,980</u>	<u>322</u>	<u>60,426</u>
<b>FUND BALANCE - December 31, 2008</b>	<u>\$ 26,710</u>	<u>\$ 21,478</u>	<u>\$ -</u>	<u>\$ 48,188</u>

The accompanying notes are an integral part of these financial statements

***REQUIRED  
SUPPLEMENTARY  
INFORMATION***

**TOWNSHIP OF CRESCENT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DEFINED BENEFIT PENSION PLANS**  
**DECEMBER 31, 2008**

**SCHEDULES OF FUNDING PROGRESS:**

	(A)	(B)	(B-A) (UAAL)	(A/B)	(C)	(B-A)/C
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	UNFUNDED ACTUARIAL ACCRUED LIABILITY	FUNDED RATIO	COVERED PAYROLL	UAAL AS A % OF COVERED PAYROLL
<b>POLICE:</b>						
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%
1/1/05	672,400	438,420	(233,980)	153%	122,700	-190.7%
1/1/07	728,174	504,851	(223,323)	144%	145,418	-153.6%
<b>NON-UNIFORM:</b>						
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%
1/1/05	628,548	593,494	(35,054)	106%	178,630	-19.6%
1/1/07	597,869	497,347	(100,522)	120%	138,552	-72.6%

**SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:**

	YEAR ENDED DECEMBER 31	ANNUAL REQ. CONTRIBUTION	PERCENTAGE CONTRIBUTED
<b>POLICE:</b>			
	2002	\$ -	N/A
	2003	-	N/A
	2004	-	N/A
	2005	-	N/A
	2006	-	N/A
	2007	-	N/A
	2008	-	N/A
<b>NON-UNIFORM</b>			
	2002	\$ 5,510	100%
	2003	-	100%
	2004	3,497	100%
	2005	4,744	100%
	2006	2,954	100%
	2007	9,592	100%
	2008	8,738	100%

**TOWNSHIP OF CRESCENT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2008**

**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 actuarial valuations dated January 1, 2007 per PMRS.

Actuarial Cost Method - Entry Age Normal

Amortization Method - Level Dollar Closed

Remaining Amortization Period – Weighted Average – 14.33 Years

Asset Valuation Method – Fair Value

Investment Rate of return - 6.0% per annum

Salary Increase – 5.2% per annum