

**TOWNSHIP OF CRESCENT**



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**TOWNSHIP OF CRESCENT**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**TOWNSHIP OF CRESCENT**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
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# **Mark C. Turnley**

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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, 2010, 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 police and non-uniform pension plan information contained in the statements of fiduciary net assets and changes in fiduciary net assets of the Township (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.

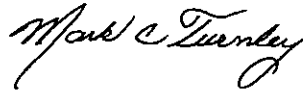
As described in Note 2, the Township prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2010, 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.

Accounting principles generally accepted in the United States of America require that the defined benefit pension information (pages 26-27) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States requires to be presented to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Crescent's financial statements as a whole. The supplemental schedules (cash basis) are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Mark C. Turnley, CPA

April 12, 2011  
Ambridge, Pennsylvania

**TOWNSHIP OF CRESCENT**  
**STATEMENT OF NET ASSETS (CASH BASIS)**  
**DECEMBER 31, 2010**

**EXHIBIT A**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 215,634
Investments	36,890
<b>Total Current Assets</b>	<u>\$ 252,524</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 252,524</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Payroll Withholdings	\$ 1,647
Bond Escrow	3,699
<b>Total Current Liabilities</b>	<u>\$ 5,346</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,346</u>
<b>NET ASSETS</b>	
Restricted For:	
Highways and Streets	\$ 21,938
Fire Department	7,474
Unrestricted	217,766
<b>TOTAL NET ASSETS</b>	<u>\$ 247,178</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 252,524</u></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, 2010**

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ 216,877	\$ 55,919	\$ -	\$ (160,958)
Public Safety - Police	324,651	21,486	-	(303,165)
Public Safety - Fire	74,918	-	14,157	(60,761)
Public Safety - Other	6,303	9,346	-	3,043
Public Works - Sanitation	163,329	163,170	-	(159)
Public Works - Highways	329,825	32,933	47,033	(249,859)
Culture and Recreation	20,424	2,875	-	(17,549)
Debt Service	17,086	-	-	(17,086)
Insurance and Employee Benefits	218,973	16,696	-	(202,277)
Miscellaneous	10,305	-	4,077	(6,228)
<b>Total Governmental Activities</b>	<b>\$ 1,382,691</b>	<b>\$ 302,425</b>	<b>\$ 65,267</b>	<b>(1,014,999)</b>
<b>Total Primary Government</b>	<b>\$ 1,382,691</b>	<b>\$ 302,425</b>	<b>\$ 65,267</b>	<b>\$ (1,014,999)</b>
<b>General Receipts:</b>				
Taxes:				
Property Taxes, Levied for General Purposes (net)				\$ 756,832
Act 511 and Other Taxes				323,047
Investment Earnings				771
<b>Total General Receipts</b>				<b>\$ 1,080,650</b>
<b>Change in Net Assets</b>				<b>\$ 65,651</b>
Net Assets --- January 1, 2010				181,527
<b>Net Assets --- December 31, 2010</b>				<b>\$ 247,178</b>

The accompanying notes are an integral part of these financial statements  
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**TOWNSHIP OF CRESCENT**  
**BALANCE SHEET (CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2010**

**EXHIBIT C**

	MAJOR GOVERNMENTAL FUNDS				NON-MAJOR GOVERNMENTAL FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PARKWOOD FUND	CAPITAL RESERVE FUND	HIGHWAY AID FUND	FIRE DEPARTMENT FUND			
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 14,598	\$ 3,699	\$ 197,337	\$ -	\$ -	\$ -	\$ 215,634	
Investments	1,555	-	5,923	21,938	7,474	-	36,890	
<b>TOTAL ASSETS</b>	<b>\$ 16,153</b>	<b>\$ 3,699</b>	<b>\$ 203,260</b>	<b>\$ 21,938</b>	<b>\$ 7,474</b>	<b>\$ -</b>	<b>\$ 252,524</b>	
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Payroll Withholdings	\$ 1,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,647	
Bond Escrow	-	3,699	-	-	-	-	3,699	
<b>TOTAL LIABILITIES</b>	<b>\$ 1,647</b>	<b>\$ 3,699</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,346</b>	
<b>FUND BALANCES:</b>								
Undesignated - Unreserved:								
General Fund	\$ 14,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,506	
Highway Aid Fund	-	-	-	21,938	-	-	21,938	
Designated:								
Capital Reserve Fund	-	-	203,260	-	-	-	203,260	
Reserved:								
Fire Department Fund	-	-	-	-	7,474	-	7,474	
<b>TOTAL FUND BALANCES</b>	<b>\$ 14,506</b>	<b>\$ -</b>	<b>\$ 203,260</b>	<b>\$ 21,938</b>	<b>\$ 7,474</b>	<b>\$ -</b>	<b>\$ 247,178</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,153</b>	<b>\$ 3,699</b>	<b>\$ 203,260</b>	<b>\$ 21,938</b>	<b>\$ 7,474</b>	<b>\$ -</b>	<b>\$ 252,524</b>	



**TOWNSHIP OF CRESCENT**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	MAJOR GOVERNMENTAL FUNDS					NON-MAJOR GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PARKWOOD FUND	CAPITAL RESERVE FUND	HIGHWAY AID FUND	FIRE DEPARTMENT FUND			
<b>RECEIPTS</b>								
Taxes	\$ 1,025,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,025,578
Licenses and Permits	51,746	-	-	-	-	-	-	51,746
Fines and Forfeitures	18,887	-	-	-	-	-	-	18,887
Interest and Rents	6,195	-	266	29	6	-	-	6,496
Intergovernmental	88,896	-	-	47,033	-	-	-	135,929
Charges for Services	193,010	-	-	-	-	-	-	193,010
<b>Total Receipts</b>	<b>\$ 1,384,312</b>	<b>\$ -</b>	<b>\$ 266</b>	<b>\$ 47,062</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,431,646</b>
<b>DISBURSEMENTS</b>								
General Government	\$ 216,015	\$ -	\$ -	\$ 862	\$ -	\$ -	\$ -	216,877
Public Safety - Police	324,651	-	-	-	-	-	-	324,651
Public Safety - Fire	22,657	-	-	-	52,261	-	-	74,918
Public Safety - Other	6,303	-	-	-	-	-	-	6,303
Public Works - Sanitation	163,329	-	-	-	-	-	-	163,329
Public Works - Highways	256,211	-	16,988	54,626	-	-	-	329,825
Culture and Recreation	20,424	-	-	-	-	-	-	20,424
Debt Service	267,086	-	-	-	-	-	-	267,086
Miscellaneous	218,973	-	-	-	-	-	-	218,973
<b>Total Disbursements</b>	<b>\$ 1,497,649</b>	<b>\$ -</b>	<b>\$ 16,988</b>	<b>\$ 55,488</b>	<b>\$ 52,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,622,386</b>
<b>Excess ( Deficiency) of Receipts over Disbursements</b>	<b>\$ (113,337)</b>	<b>\$ -</b>	<b>\$ (16,722)</b>	<b>\$ (8,426)</b>	<b>\$ (52,255)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (190,740)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Refund of Prior Year Expenses	\$ 16,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	16,696
Refund of Prior Year Receipts	(10,305)	-	-	-	-	-	-	(10,305)
Tax Anticipation Note	250,000	-	-	-	-	-	-	250,000
Operating Transfers In	-	-	80,899	-	55,007	-	-	135,906
Operating Transfers Out	(135,906)	-	-	-	-	-	-	(135,906)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 120,485</b>	<b>\$ -</b>	<b>\$ 80,899</b>	<b>\$ -</b>	<b>\$ 55,007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 256,391</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 7,148</b>	<b>\$ -</b>	<b>\$ 64,177</b>	<b>\$ (8,426)</b>	<b>\$ 2,752</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,651</b>
<b>FUND BALANCE - JANUARY 1, 2010</b>	<b>7,358</b>	<b>-</b>	<b>139,083</b>	<b>30,364</b>	<b>4,722</b>	<b>-</b>	<b>-</b>	<b>181,527</b>
<b>FUND BALANCE - DECEMBER 31, 2010</b>	<b>\$ 14,506</b>	<b>\$ -</b>	<b>\$ 203,260</b>	<b>\$ 21,938</b>	<b>\$ 7,474</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 247,178</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, 2010**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 979,000	\$ 979,000	\$ 1,025,578	\$ 46,578
Licenses and Permits	46,100	46,100	51,746	5,646
Fines and Forfeitures	10,000	10,000	18,887	8,887
Interest and Rents	5,975	5,975	6,195	220
Intergovernmental	65,000	65,000	88,896	23,896
Charges for Services	216,200	216,200	193,010	(23,190)
<b>Total Receipts</b>	<b>\$ 1,322,275</b>	<b>\$ 1,322,275</b>	<b>\$ 1,384,312</b>	<b>\$ 62,037</b>
<b>DISBURSEMENTS</b>				
General Government	\$ 261,955	\$ 261,955	\$ 216,015	\$ 45,940
Public Safety - Police	317,258	317,258	324,651	(7,393)
Public Safety - Fire	22,900	22,900	22,657	243
Public Safety - Other	8,000	8,000	6,303	1,697
Public Works - Sanitation	163,000	163,000	163,329	(329)
Public Works - Highways	277,450	277,450	258,211	19,239
Culture and Recreation	30,100	30,100	20,424	9,676
Debt Service	279,300	279,300	267,086	12,214
Miscellaneous	221,803	221,803	218,973	2,830
<b>Total Disbursements</b>	<b>\$ 1,581,766</b>	<b>\$ 1,581,766</b>	<b>\$ 1,497,649</b>	<b>\$ 84,117</b>
<b>Excess ( Deficiency) of Receipts over Disbursements</b>	<b>\$ (259,491)</b>	<b>\$ (259,491)</b>	<b>\$ (113,337)</b>	<b>\$ 146,154</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refund of Prior Year Expenses	\$ 20,000	\$ 20,000	\$ 16,696	\$ (3,304)
Refund of Prior Year Receipts	(1,700)	(1,700)	(10,305)	(8,605)
Loan Proceeds	250,000	250,000	250,000	-
Operating Transfers In	44,191	44,191	-	(44,191)
Operating Transfers Out	(53,000)	(53,000)	(135,906)	(82,906)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 259,491</b>	<b>\$ 259,491</b>	<b>\$ 120,485</b>	<b>\$ (139,006)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,148</b>	<b>\$ 7,148</b>
<b>FUND BALANCE - JANUARY 1, 2010</b>	<b>-</b>	<b>-</b>	<b>7,358</b>	<b>7,358</b>
<b>FUND BALANCE - DECEMBER 31, 2010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,506</b>	<b>\$ 14,506</b>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2010**

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>	<u>ESCROW DEVELOPERS FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,377
Investments - PMRS	738,740	427,877	-
<b>TOTAL ASSETS</b>	<u>\$ 738,740</u>	<u>\$ 427,877</u>	<u>\$ 2,377</u>
<b>LIABILITIES</b>			
Other Current Liabilities	\$ -	\$ -	\$ 2,377
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,377</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	\$ 738,740	\$ 427,877	
<b>TOTAL NET ASSETS</b>	<u>\$ 738,740</u>	<u>\$ 427,877</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, 2010**

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 2,724	\$ 4,097
Plan Members	-	4,943
Total Contributions	<u>\$ 2,724</u>	<u>\$ 9,040</u>
Investment Earnings		
Interest	\$ 41,667	\$ 23,924
Total Investment Earnings	<u>\$ 41,667</u>	<u>\$ 23,924</u>
Less investment Expense	-	-
Net Investment Earnings	<u>\$ 41,667</u>	<u>\$ 23,924</u>
<b>TOTAL ADDITIONS</b>	<u><b>\$ 44,391</b></u>	<u><b>\$ 32,964</b></u>
<b>DEDUCTIONS</b>		
Refunds of Member Contributions	\$ -	\$ 13,062
Administrative Expenses	100	160
Allocated Insurance Premiums	289	73
<b>TOTAL DEDUCTIONS</b>	<u><b>\$ 389</b></u>	<u><b>\$ 13,295</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 44,002</b>	<b>\$ 19,669</b>
<b>NET ASSETS - JANUARY 1, 2010</b>	<u>694,738</u>	<u>408,208</u>
<b>NET ASSETS - DECEMBER 31, 2010</b>	<u><b>\$ 738,740</b></u>	<u><b>\$ 427,877</b></u>

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**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
- Crescent Township Parks Board

**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:

**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:

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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

**GASB STATEMENT IMPLEMENTATIONS (Continued)**

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, 2010.
  - 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.

**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:

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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

**BASIS OF PRESENTATION (Continued)**

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

- 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

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. As previously mentioned, 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.

**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, 2010**

**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

**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 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, 2010**

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

**BUDGETS**

In December of 2009, 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 \$1,360,466 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.

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, 2010.

**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 2010 year, the General Fund transferred \$55,007 to the Fire Department Fund for its portion of the real estate tax millage (.0005) assessment and \$80,899 to the Capital Reserve Fund for reimbursement of costs.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**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.

**FUND EQUITY**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific use. Designations of fund balance represent tentative management plans that are subject to modification. Fund equity is classified as follows:

- Reserved – Reserved is used to denote that portion of fund balance that is not available for expenditure appropriation or is legally segregated for a specific purpose.
- Unreserved – Unreserved is used to denote that portion of the fund balance that is available for appropriation.
- Designated – Designated is used to denote that portion of the fund balance designated for specific purposes.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2010, 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	\$ 243,475	\$ 215,634
Agency Funds	2,377	2,377
<b>TOTAL</b>	<b><u>\$ 245,852</u></b>	<b><u>\$ 218,011</u></b>

The difference between the bank and book balance represents reconciling items such as deposits in transit and outstanding checks. All funds in a 'noninterest-bearing transaction account' are insured in full by the Federal Deposit Insurance Corporation (FDIC) from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

**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, 2010, the Township's bank balance total is not exposed to custodial credit risk as the bank balance totals do not exceed the maximum FDIC coverage limits. 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.

**INVESTMENTS:**

The following represents the fair value of the Township's governmental and fiduciary fund investments as of December 31, 2010:

	<b>Fair Value</b>
PLGIT	<u>\$ 36,890</u>
<b>Total Governmental Investments</b>	<b><u>\$ 36,890</u></b>
PMRS	<u>\$ 1,166,617</u>
<b>Total Fiduciary Investments</b>	<b><u>\$ 1,166,617</u></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).

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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

**INVESTMENTS: (Continued)**

**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, 2010	(Discount period)
July 1 – August 31, 2010	(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 2010 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 2010 totaling \$46,417 as of December 31, 2010. This represents 0.06% of the Township's original assessment for the year totaling \$748,106.

The tax millage assessment for the 2010 calendar year is 6.5 mills on the assessed value of land and buildings (\$115,173,745), 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 - GOVERNMENTAL DEBT OBLIGATIONS**

**TAX ANTICIPATION NOTE**

In January of 2010, the Township received a tax anticipation note in the amount of \$250,000 from Citizens Bank at an interest rate of 2.50% which was repaid by the Township in December of 2010.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**NOTE 5 - GOVERNMENTAL DEBT OBLIGATIONS (Continued)**

**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, 2010 is as follows:

Year End Dec 31	Principal	Interest	Total
2011	\$ 5,044	\$ 467	\$ 5,511
2012	5,153	358	5,511
2013	5,265	246	5,511
2014	5,379	132	5,511
2015	2,754	22	2,776
	<u>\$ 23,595</u>	<u>\$ 1,225</u>	<u>\$ 24,820</u>

**LEASE PAYABLE**

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 \$35,325 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:

Year End Dec 31	2007 DUMP	Interest	Total
2011	\$ 33,758	\$ 1,567	\$ 35,325
	<u>\$ 33,758</u>	<u>\$ 1,567</u>	<u>\$ 35,325</u>

The following represents the changes in the Township's long-term liabilities during 2010:

	Balance 1/1/2010	Additions	Reductions	Balance 12/31/2010	Due Within One Year
General Obligation Notes	\$ 24,845	\$ -	\$ 1,250	\$ 23,595	\$ 5,044
Lease Obligations	44,025	-	10,267	33,758	33,758
	<u>\$ 68,870</u>	<u>\$ -</u>	<u>\$ 11,517</u>	<u>\$ 57,353</u>	<u>\$ 38,802</u>

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**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, 2010 was comprised of:

Active employees	4
Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to benefits but not yet receiving them	-
Total	<u>5</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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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

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

Plan membership as of December 31, 2010 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>6</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 6.0% 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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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

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, 2010. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

**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 2010 totaled \$1,524. As of December 31, 2010 there are 24 payments remaining under this lease obligation.

**NOTE 8 - COMMITMENTS AND CONTINGENT LIABILITIES**

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.

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.

**NOTE 10– SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to December 31, 2010 through the date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.



***SUPPLEMENTAL  
SCHEDULES***

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2009
<b><u>TAXES:</u></b>			
Real estate tax - current	\$ 693,000	\$ 690,232	\$ 668,984
Real estate tax - prior	35,000	23,958	30,167
Real estate tax - liened	25,000	42,642	22,916
Real estate tax - penalties/interest	1,000	-	(366)
Real estate transfer tax	20,000	40,818	19,317
Earned income tax - current	185,000	201,850	199,184
Earned income tax - penalties/interest	10,000	15,076	30,912
EMS tax	10,000	11,002	6,654
<b>TOTAL TAXES</b>	<b>\$ 979,000</b>	<b>\$ 1,025,578</b>	<b>\$ 977,767</b>
<b><u>LICENSES AND PERMITS:</u></b>			
Vending and amusement	\$ 7,500	\$ 6,635	\$ 7,470
Cable franchise fees	38,000	44,981	39,766
Street and curb permits	500	-	-
Solicitation Permit	100	130	115
<b>TOTAL LICENSES AND PERMITS</b>	<b>\$ 46,100</b>	<b>\$ 51,746</b>	<b>\$ 47,351</b>
<b><u>FINES AND FORFEITURES:</u></b>			
Vehicle code violations	\$ 8,000	\$ 16,861	\$ 10,173
State police fines	2,000	2,027	1,873
<b>TOTAL FINES AND FORFEITURES</b>	<b>\$ 10,000</b>	<b>\$ 18,887</b>	<b>\$ 12,045</b>
<b><u>INTEREST AND RENTS:</u></b>			
Interest	\$ 375	\$ 470	\$ 485
Multi-purpose room rental	1,600	2,850	1,550
Shouse Park rentals (net)	4,000	2,875	4,050
<b>TOTAL INTEREST AND RENTS</b>	<b>\$ 5,975</b>	<b>\$ 6,195</b>	<b>\$ 6,085</b>
<b><u>INTERGOVERNMENTAL:</u></b>			
Public utility realty tax	\$ 1,400	\$ 1,468	\$ 1,527
Alcoholic beverage licenses	400	800	400
PEMA	-	16,361	-
Pension state aid	3,200	4,077	3,157
Foreign fire insurance tax	13,000	14,157	12,578
Regional sales tax allocation	47,000	52,033	49,493
<b>TOTAL INTERGOVERNMENTAL</b>	<b>\$ 65,000</b>	<b>\$ 88,896</b>	<b>\$ 67,155</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, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2009</u>
<b><u>CHARGES FOR SERVICES:</u></b>			
Zoning and subdivision	\$ 200	\$ 420	\$ 650
Building permits	6,000	8,926	5,993
Civil Service Exams	500	-	-
Snow removal	11,000	16,572	11,923
Solid waste collection and disposal	175,000	144,943	142,414
Portnoff/Creditech delinquent garbage fees	19,000	18,227	19,717
Misc receipts - reports, maps, etc.	200	378	236
Lien letters	800	945	955
Task Force RMB	3,000	1,738	3,348
Police reports	500	860	585
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>\$ 216,200</u></b>	<b><u>\$ 193,010</u></b>	<b><u>\$ 185,821</u></b>
<b><u>OTHER FINANCIAL SOURCES:</u></b>			
Transfer from Capital Reserve Fund	\$ 44,191	\$ -	\$ 208,584
Tax anticipation loan	250,000	250,000	250,000
Sale of Assets	-	-	750
Refund prior year expenses	20,000	16,696	23,265
<b>TOTAL FINANCIAL SOURCES</b>	<b><u>\$ 314,191</u></b>	<b><u>\$ 266,696</u></b>	<b><u>\$ 482,599</u></b>
<b>TOTAL RECEIPTS</b>	<b><u>\$ 1,636,466</u></b>	<b><u>\$ 1,651,008</u></b>	<b><u>\$ 1,778,822</u></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, 2010**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2009
<b>GENERAL GOVERNMENT:</b>			
<b>LEGISLATIVE BODY:</b>			
Personal services	\$ 300	\$ 295	\$ 553
Commissioners	7,500	6,000	4,403
Legal Notices	4,500	7,264	4,739
Vehicle Mileage Reimbursement	1,000	23	361
Association dues and expense	6,000	5,096	5,547
<b>TOTAL LEGISLATIVE BODY</b>	<b>\$ 19,300</b>	<b>\$ 18,678</b>	<b>\$ 15,604</b>
<b>EXECUTIVE:</b>			
Salary - secretary	\$ 42,122	\$ 41,259	\$ 40,500
Salary - assistant	30,663	25,787	29,474
Office supplies	2,000	4,044	2,775
Vehicle Mileage Reimbursement	1,000	56	763
Cell phone	1,150	513	664
PA one call fax charges	100	168	124
Maintenance and repair	2,000	4,060	1,592
Association dues	2,000	359	2,000
Misc	500	198	-
Copier Expenses	2,100	2,073	2,157
Education expense	4,600	300	1,562
<b>TOTAL EXECUTIVE:</b>	<b>\$ 88,235</b>	<b>\$ 78,816</b>	<b>\$ 81,610</b>
<b>FINANCIAL ADMINISTRATION:</b>			
Computer Maint	\$ -	\$ -	\$ 262
Realstats	1,500	1,600	1,600
Comcast	1,300	475	1,140
Bank Service Charges	-	1,916	-
Professional auditors	3,500	3,075	3,000
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>\$ 6,300</b>	<b>\$ 7,066</b>	<b>\$ 6,002</b>
<b>TAX COLLECTION:</b>			
Salary - treasurer and tax collector	\$ 10,000	\$ 10,000	\$ 10,000
Delinquent property tax	3,500	4,143	3,658
Treasurer	2,500	2,340	2,383
Computer maintenance	2,000	-	-
EIT - Keystone Commission	3,700	4,583	3,887
EMST - Keystone Commission	500	108	527
Envelopes and Postage	1,950	1,283	3,190
Liened property	2,000	4,257	2,775
Association dues and expenses	1,000	2,772	210
<b>TOTAL TAX COLLECTION</b>	<b>\$ 27,150</b>	<b>\$ 29,487</b>	<b>\$ 26,629</b>
<b>LEGAL SERVICES:</b>			
Solicitor quarterly compensation	\$ 45,000	\$ 16,791	\$ 45,000
Solicitor expenses	5,000	4,756	3,000
Other legal fees	1,000	7,263	749
Labor Counsel	5,000	127	18,056
Association and Dues	2,150	-	1,950
<b>TOTAL LEGAL SERVICES</b>	<b>\$ 58,150</b>	<b>\$ 28,937</b>	<b>\$ 68,755</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, 2010**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2009
<b>ENGINEER:</b>			
Engineer/architect fees	\$ 15,000	\$ 12,597	\$ 17,422
<b>TOTAL ENGINEER</b>	<b>\$ 15,000</b>	<b>\$ 12,597</b>	<b>\$ 17,422</b>
 <b>GOVERNMENT BUILDING &amp; PLANT:</b>			
Cleaning services	\$ 10,820	\$ 12,005	\$ 9,220
Supplies	2,500	2,171	2,537
Phones	3,000	3,989	3,602
Utilities	15,500	11,604	13,545
Capital Projects	10,000	4,948	5,875
Building maintenance and repair	6,000	5,716	6,175
<b>TOTAL GOVERNMENT BUILDING &amp; PLANT</b>	<b>\$ 47,820</b>	<b>\$ 40,434</b>	<b>\$ 40,954</b>
 <b>TOTAL GENERAL GOVERNMENT</b>	 <b>\$ 261,955</b>	 <b>\$ 216,015</b>	 <b>\$ 256,976</b>
 <b>PUBLIC SAFETY:</b>			
<b>POLICE PROTECTION:</b>			
Salary - chief	\$ 61,714	\$ 34,044	\$ 22,216
Wages - patrolmen	78,652	119,210	107,695
Wages - captain	44,990	44,285	-
Wages - sergeants	40,830	42,770	81,594
Task Force Wages	3,000	3,365	2,626
Longevity Pay	3,327	3,348	3,230
Overtime	30,140	24,122	32,717
Vehicle Mileage Reimbursement	500	-	325
Uniform allowance	4,500	5,265	4,766
Team Legal	780	891	-
Supplies	4,500	1,896	5,653
Gasoline and oil	10,000	9,785	9,368
Vehicle maintenance - old car	8,000	6,560	11,556
Vehicle Wireless Computer Fee	2,900	2,006	2,192
Pre-Employment Physicals	500	497	175
S-1 region	1,100	1,100	1,100
Cell phone	2,700	2,469	2,625
Radio equipment maintenance	750	726	751
Purchase police radio	750	750	146
Computer maintenance	2,700	5,542	3,045
Investigation fund	100	-	-
Lock-up fees	800	-	800
Association dues and expenses	1,000	100	1,376
Education expense	2,300	2,007	199
Police Copier Expense	425	540	429
Moon - dispatch	3,400	2,904	3,124
Civil Service Exams	500	329	506
Ammunition	1,500	1,197	1,459
Police - other	-	749	-
Capital purchases	4,900	8,195	2,710
<b>TOTAL POLICE PROTECTION</b>	<b>\$ 317,258</b>	<b>\$ 324,651</b>	<b>\$ 302,381</b>
 <b>FIRE PROTECTION:</b>			
Fire hydrant rental	\$ 8,400	\$ 8,500	\$ 8,438
Fire department contribution	1,500	-	-
Foreign fire insurance	13,000	14,157	12,578
<b>TOTAL FIRE PROTECTION</b>	<b>\$ 22,900</b>	<b>\$ 22,657</b>	<b>\$ 21,015</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, 2010**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2009
<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	\$ 6,200	\$ 5,703	\$ 6,678
Zoning hearing board	100	-	-
Zoning hearing board - solicitor	500	-	-
Planning and zoning expenses	400	-	-
Dues, memberships, and subscriptions	100	-	-
Education expense	100	-	-
<b>TOTAL PLANNING AND ZONING</b>	<b>\$ 7,400</b>	<b>\$ 5,703</b>	<b>\$ 6,678</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 348,158</b>	<b>\$ 353,610</b>	<b>\$ 330,675</b>
<b><u>PUBLIC WORKS:</u></b>			
<b><u>SANITATION:</u></b>			
Contracted services	\$ 155,000	\$ 155,388	\$ 155,388
Billing service	3,500	3,479	3,338
Portnoff Assoc. delinquent collector	4,500	4,462	3,570
<b>TOTAL SANITATION</b>	<b>\$ 163,000</b>	<b>\$ 163,329</b>	<b>\$ 162,296</b>
<b><u>HIGHWAYS:</u></b>			
Road wages	\$ 123,000	\$ 111,959	\$ 105,393
Overtime	6,000	9,380	3,369
Uniform allowance	1,000	989	1,386
Materials and supplies	8,750	7,392	5,365
Vehicle fuel	7,000	7,537	4,579
Highway materials	52,000	51,506	47,987
Equipment Rental/Purchase	2,000	437	2,287
Equipment Repair	1,500	614	-
Vehicle repair and maintenance	9,000	13,660	16,260
Tires	2,000	1,418	-
CDL testing expenses	400	412	1,605
Cell phone	1,400	561	1,723
Association Dues and Expenses	1,000	166	-
Education/training	400	30	206
Capital construction-roads	50,000	50,000	50,000
Capital purchases	12,000	2,151	-
<b>TOTAL HIGHWAYS</b>	<b>\$ 277,450</b>	<b>\$ 258,211</b>	<b>\$ 240,160</b>
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 440,450</b>	<b>\$ 421,541</b>	<b>\$ 402,456</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, 2010**

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2009
<b><u>CULTURE AND RECREATION:</u></b>			
<b><u>RECREATION:</u></b>			
Materials and supplies	\$ 6,300	\$ 2,462	\$ 2,546
Recreation Board	3,800	3,640	3,329
Professional services	2,100	-	-
Grass maintenance	9,900	10,250	11,890
Utilities	2,200	1,708	2,275
Parks Board	3,800	364	3,100
Civic Club donation	1,000	1,000	1,000
<b>TOTAL RECREATION</b>	<b>\$ 29,100</b>	<b>\$ 19,424</b>	<b>\$ 24,141</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>\$ 30,100</b>	<b>\$ 20,424</b>	<b>\$ 25,141</b>
<b><u>DEBT SERVICE:</u></b>			
10 Ton Truck	\$ 20,000	\$ 12,309	\$ 12,309
DCED Loan Police	4,300	1,374	5,496
Truck loan	-	-	12,260
TAN interest	5,000	3,403	4,825
TAN Principal	250,000	250,000	250,000
<b>TOTAL DEBT SERVICE</b>	<b>\$ 279,300</b>	<b>\$ 267,086</b>	<b>\$ 284,890</b>
<b><u>MISCELLANEOUS:</u></b>			
Intergovernmental	\$ 2,500	\$ -	\$ 2,323
Health and disability insurance	114,500	97,180	103,485
Non-uniform pension contribution	3,000	4,077	12,454
Uniform Employee Pension	2,703	2,704	-
Social security taxes - township share	29,000	32,040	30,629
Medicare - township share	7,600	7,493	7,163
Unemployment compensation insurance	2,300	4,587	3,264
Workmens compensation insurance	23,700	26,721	24,762
Package insurance	30,000	36,320	29,495
Public official insurance	2,500	2,500	2,500
Police professional insurance	2,500	2,662	2,662
Bonds	1,500	2,689	1,978
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 221,803</b>	<b>\$ 218,973</b>	<b>\$ 220,715</b>
<b><u>OTHER FINANCING USES:</u></b>			
Transfer to capital reserve fund	\$ -	\$ 80,899	\$ 289,554
Transfer to Firemens Referendum	53,000	55,007	53,734
Refund prior year revenues	-	2,460	1,288
Refund property taxes	1,500	7,845	4,880
Refund wage taxes	200	-	-
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 54,700</b>	<b>\$ 146,212</b>	<b>\$ 349,457</b>
<b>TOTAL DISBURSEMENTS AND OTHER FINANCING USES</b>	<b>\$ 1,636,466</b>	<b>\$ 1,643,860</b>	<b>\$ 1,870,309</b>

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, 2010**

**SCHEDULES OF FUNDING PROGRESS:**

	(A)	(B)	(B-A) (UAAL) UNFUNDED ACTUARIAL ACCRUED LIABILITY	(A/B) FUNDED RATIO	(C) COVERED PAYROLL	(B-A)/C UAAL AS A % OF COVERED PAYROLL
<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUE OF ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>				
<b>POLICE:</b>						
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%
1/1/09	807,395	587,206	(220,189)	137%	151,389	-145.4%
<b>NON-UNIFORM:</b>						
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%
1/1/09	556,719	430,033	(126,686)	129%	151,923	-83.4%

**SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:**

	<u>YEAR ENDED DECEMBER 31</u>	<u>ANNUAL REQ. CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
<b>POLICE:</b>			
	2004	\$ -	N/A
	2005	-	N/A
	2006	-	N/A
	2007	-	N/A
	2008	-	N/A
	2009	-	N/A
	2010	2,703	100%
<b>NON-UNIFORM</b>			
	2004	\$ 3,497	100%
	2005	4,744	100%
	2006	2,954	100%
	2007	9,592	100%
	2008	8,738	100%
	2009	2,456	100%
	2010	3,479	100%

**TOWNSHIP OF CRESCENT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2010**

**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, 2009 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