

TOWNSHIP OF CRESCENT



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF CRESCENT
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011, 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.

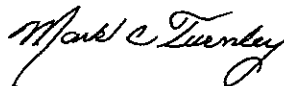
As described in Note 2, the Township prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2011, 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 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

July 30, 2012
Ambridge, Pennsylvania

TOWNSHIP OF CRESCENT
STATEMENT OF NET ASSETS (CASH BASIS)
DECEMBER 31, 2011

EXHIBIT A

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 99,284
Investments	40,048
Total Current Assets	\$ 139,332
TOTAL ASSETS	\$ 139,332
 LIABILITIES	
Current Liabilities:	
Payroll Withholdings	\$ 2,086
Bond Escrow	3,700
Total Current Liabilities	\$ 5,786
TOTAL LIABILITIES	\$ 5,786
 NET ASSETS	
Restricted For:	
Highways and Streets	\$ 14,795
Fire Department	17,773
Unrestricted	100,978
TOTAL NET ASSETS	\$ 133,546
TOTAL LIABILITIES AND NET ASSETS	\$ 139,332

The accompanying notes are an integral part of these financial statements

EXHIBIT B

**TOWNSHIP OF CRESCENT
STATEMENT OF ACTIVITIES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011**

Functions/Programs	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	
Governmental Activities:			
General Government	\$ 223,660	\$ -	\$ (162,745)
Public Safety - Police	356,936	-	(334,082)
Public Safety - Fire	74,681	23,207	(51,474)
Public Safety - Other	5,705	-	2,628
Public Works - Sanitation	160,899	-	6,097
Public Works - Highways	373,607	50,912	(308,851)
Culture and Recreation	19,479	-	(19,354)
Debt Service	46,916	-	(46,916)
Insurance and Employee Benefits	243,284	19,911	(223,373)
Miscellaneous	3,677	4,836	1,159
Total Governmental Activities	\$ 1,508,844	\$ 78,955	(1,136,911)
Total Primary Government	\$ 1,508,844	\$ 78,955	\$ (1,136,911)
General Receipts:			
Taxes:			
Property Taxes, Levied for General Purposes (net)			\$ 715,591
Act 511 and Other Taxes			307,443
Investment Earnings			245
Total General Receipts			\$ 1,023,279
Change in Net Assets			\$ (113,632)
Net Assets — January 1, 2011			247,178
Net Assets — December 31, 2011			\$ 133,546

The accompanying notes are an integral part of these financial statements

EXHIBIT C

TOWNSHIP OF CRESCENT
 BALANCE SHEET (CASH BASIS)
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

MAJOR GOVERNMENTAL FUNDS

	GENERAL FUND	HIGHWAY AID FUND	FIRE DEPARTMENT FUND	CAPITAL RESERVE FUND	PARKWOOD FUND	TOTAL GOVERNMENTAL FUNDS
\$	837	-	-	94,747	3,700	98,284
	1,555	14,795	17,773	5,925	-	40,048
\$	2,392	14,795	17,773	100,672	3,700	138,332

ASSETS:

Cash and Cash Equivalents
 Investments
TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES:

Payroll Withholdings
 Bond Escrow

TOTAL LIABILITIES

FUND BALANCES:

Restricted:

Highway Aid Fund
 Fire Department Fund
 Assigned
 Unassigned

TOTAL FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES

\$	2,086	-	-	-	-	2,086
\$	-	-	-	-	3,700	3,700
\$	2,086	-	-	-	3,700	5,786
\$	-	14,795	-	-	-	14,795
	-	-	17,773	-	-	17,773
	-	-	-	100,672	-	100,672
	306	-	-	-	-	306
\$	306	14,795	17,773	100,672	-	133,546
\$	2,392	14,795	17,773	100,672	3,700	138,332

TOWNSHIP OF CRESCENT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	MAJOR GOVERNMENTAL FUNDS					
	GENERAL FUND	HIGHWAY AID FUND	FIRE DEPARTMENT FUND	CAPITAL RESERVE FUND	PARKWOOD FUND	TOTAL GOVERNMENTAL FUNDS
RECEIPTS						
Taxes	\$ 967,776	\$ -	\$ -	\$ -	\$ -	\$ 967,776
Licenses and Permits	54,619	-	-	-	-	54,619
Fines and Forfeitures	18,708	-	-	-	-	18,708
Interest and Rents	2,386	10	6	218	-	2,620
Intergovernmental	83,299	60,912	-	-	-	134,211
Charges for Services	197,368	-	-	-	-	197,368
Total Receipts	\$ 1,324,156	\$ 50,922	\$ 6	\$ 218	\$ -	\$ 1,375,302
DISBURSEMENTS						
General Government	\$ 223,660	\$ -	\$ -	\$ -	\$ -	\$ 223,660
Public Safety - Police	356,936	-	-	-	-	356,936
Public Safety - Fire	31,707	-	42,974	-	-	74,681
Public Safety - Other	5,705	-	-	-	-	5,705
Public Works - Sanitation	160,899	-	-	-	-	160,899
Public Works - Highways	261,450	46,375	-	65,782	-	373,607
Culture and Recreation	19,479	-	-	-	-	19,479
Debt Service	285,226	11,690	-	-	-	296,916
Miscellaneous	243,284	-	-	-	-	243,284
Total Disbursements	\$ 1,588,346	\$ 58,065	\$ 42,974	\$ 65,782	\$ -	\$ 1,755,167
Excess (Deficiency) of Receipts over Disbursements	\$ (264,190)	\$ (7,143)	\$ (42,968)	\$ (65,564)	\$ -	\$ (379,865)
OTHER FINANCING SOURCES (USES)						
Refund of Prior Year Expenses	\$ 19,912	\$ -	\$ -	\$ -	\$ -	\$ 19,912
Refund of Prior Year Receipts	(3,679)	-	-	-	-	(3,679)
Tax Anticipation Note	250,000	-	-	-	-	250,000
Operating Transfers In	50,000	-	53,267	12,976	-	116,243
Operating Transfers Out	(66,243)	-	-	(50,000)	-	(116,243)
Total Other Financing Sources (Uses)	\$ 249,990	\$ -	\$ 53,267	\$ (37,024)	\$ -	\$ 266,233
NET CHANGE IN FUND BALANCES	\$ (14,200)	\$ (7,143)	\$ 10,299	\$ (102,588)	\$ -	\$ (113,632)
FUND BALANCE - JANUARY 1, 2011	14,506	21,938	7,474	203,260	-	247,178
FUND BALANCE - DECEMBER 31, 2011	\$ 306	\$ 14,795	\$ 17,773	\$ 100,672	\$ -	\$ 133,546

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 979,000	\$ 979,000	\$ 967,776	\$ (11,224)
Licenses and Permits	46,100	46,100	54,619	8,519
Fines and Forfeitures	15,000	15,000	18,708	3,708
Interest and Rents	5,975	5,975	2,386	(3,589)
Intergovernmental	65,000	65,000	83,299	18,299
Charges for Services	215,700	215,700	197,368	(18,332)
Total Receipts	\$ 1,326,775	\$ 1,326,775	\$ 1,324,156	\$ (2,619)
DISBURSEMENTS				
General Government	\$ 237,303	\$ 237,303	\$ 223,660	\$ 13,643
Public Safety - Police	355,743	355,743	356,936	(1,193)
Public Safety - Fire	22,900	22,900	31,707	(8,807)
Public Safety - Other	8,500	8,500	5,705	2,795
Public Works - Sanitation	162,000	162,000	160,899	1,101
Public Works - Highways	286,110	286,110	261,450	24,660
Culture and Recreation	30,100	30,100	19,479	10,621
Debt Service	270,800	270,800	285,226	(14,426)
Miscellaneous	238,098	238,098	243,284	(5,186)
Total Disbursements	\$ 1,611,554	\$ 1,611,554	\$ 1,588,346	\$ 23,208
Excess (Deficiency) of Receipts over Disbursements	\$ (284,779)	\$ (284,779)	\$ (264,190)	\$ 20,589
OTHER FINANCING SOURCES (USES)				
Refund of Prior Year Expenses	\$ 20,000	\$ 20,000	\$ 19,912	\$ (88)
Refund of Prior Year Receipts	(1,700)	(1,700)	(3,679)	(1,979)
Loan Proceeds	250,000	250,000	250,000	-
Operating Transfers In	69,479	69,479	50,000	(19,479)
Operating Transfers Out	(53,000)	(53,000)	(66,243)	(13,243)
Total Other Financing Sources (Uses)	\$ 284,779	\$ 284,779	\$ 249,990	\$ (34,789)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ (14,200)	\$ (14,200)
FUND BALANCE - JANUARY 1, 2011	-	-	14,506	14,506
FUND BALANCE - DECEMBER 31, 2011	\$ -	\$ -	\$ 306	\$ 306

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>	<u>ESCROW DEVELOPERS FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,377
Investments - PMRS	787,700	458,459	-
TOTAL ASSETS	<u>\$ 787,700</u>	<u>\$ 458,459</u>	<u>\$ 2,377</u>
LIABILITIES			
Other Current Liabilities	\$ -	\$ -	\$ 2,377
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,377</u>
NET ASSETS			
Held in Trust for Pension Benefits	\$ 787,700	\$ 458,459	
TOTAL NET ASSETS	<u>\$ 787,700</u>	<u>\$ 458,459</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, 2011

	<u>POLICE PENSION FUND</u>	<u>NON-UNIFORM PENSION FUND</u>
ADDITIONS		
Contributions		
Employer	\$ 4,836	\$ -
Plan Members	-	4,923
Misc	10	-
Total Contributions	<u>\$ 4,846</u>	<u>\$ 4,923</u>
Investment Earnings		
Interest	\$ 44,510	\$ 25,812
Total Investment Earnings	<u>\$ 44,510</u>	<u>\$ 25,812</u>
Less investment Expense	-	-
Net Investment Earnings	<u>\$ 44,510</u>	<u>\$ 25,812</u>
TOTAL ADDITIONS	<u>\$ 49,356</u>	<u>\$ 30,735</u>
DEDUCTIONS		
Administrative Expenses	\$ 80	\$ 120
Allocated Insurance Premiums	316	33
TOTAL DEDUCTIONS	<u>\$ 396</u>	<u>\$ 153</u>
CHANGE IN NET ASSETS	\$ 48,960	\$ 30,582
NET ASSETS - JANUARY 1, 2011	<u>738,740</u>	<u>427,877</u>
NET ASSETS - DECEMBER 31, 2011	<u>\$ 787,700</u>	<u>\$ 458,459</u>

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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'.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB STATEMENT IMPLEMENTATIONS (Continued)

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:

- 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, 2011

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. 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. Each major fund is presented in a separate column. In Exhibit C, non-major funds, if any, 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 governmental funds:

MAJOR GOVERNMENTAL FUNDS:

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

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

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

MAJOR GOVERNMENTAL FUNDS (Continued)

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

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.

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.

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 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.

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.

BUDGETS

In December of 2010, 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 \$1,666,254 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.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2011.

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 2011 year, the General Fund transferred \$53,267 to the Fire Department Fund for its portion of the real estate tax millage (.0005) assessment and \$12,976 to the Capital Reserve Fund for reimbursement of costs. The Capital Reserve Fund transferred \$50,000 to the General Fund for reimbursements of expenses.

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.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Beginning with calendar year 2011, the Township of Crescent implemented the terminology for Fund Equity as specified in GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions", however has not yet developed a formal written GASB 54 policy. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid expenses) or are required to be maintained intact
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- Unassigned fund balance – amounts that are available for any purpose

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS:

At December 31, 2011, the Township of Crescent had the following carrying values on its cash and cash equivalent accounts:

	Bank Balance	(Memo Only) Book Balance
Major Governmental Funds	\$ 141,164	\$ 99,284
Agency Funds	2,377	2,377
TOTAL	\$ 143,541	\$ 101,661

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, 2011, 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, 2011:

	Fair Value
GOVERNMENTAL FUNDS:	
PLGIT	\$ 40,048
FIDUCIARY FUNDS:	
PMRS	\$ 1,246,159

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.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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

March 1 – April 30, 2011	(Discount period)
May 1 – June 30, 2011	(Face period)
July 1, 2011 and after	(Penalty period)

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30st are assessed a 10% penalty. Unpaid taxes for 2011 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 2011 totaling \$55,979 as of December 31, 2011. This represents 7.5% of the Township's original assessment for the year totaling \$748,387.

The tax millage assessment for the 2011 calendar year is 6.5 mills on the assessed value of land and buildings (\$115,136,445), 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 2011, the Township received a tax anticipation note in the amount of \$250,000 from Citizens Bank at an interest rate of 2.47% which was repaid by the Township in December of 2011.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011 is as follows:

Year End Dec 31	Principal	Interest	Total
2012	\$ 6,536	\$ 334	\$ 6,870
2013	5,347	149	5,496
2014	4,081	41	4,122
	<u>\$ 15,964</u>	<u>\$ 524</u>	<u>\$ 16,488</u>

The following represents the changes in the Township's long-term liabilities during 2011:

	Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011	Due Within One Year
General Obligation Notes	\$ 23,595	\$ -	\$ 7,631	\$ 15,964	\$ 6,536
Lease Obligations	33,758	-	33,758	-	-
	<u>\$ 57,353</u>	<u>\$ -</u>	<u>\$ 41,389</u>	<u>\$ 15,964</u>	<u>\$ 6,536</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.

Plan membership as of December 31, 2011 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>

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6 – TOWNSHIP PENSION PLANS (Continued)

POLICE PENSION PLAN (Continued)

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 PLAN - 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, 2011 was comprised of:

Active employees	3
Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>
Total	<u><u>6</u></u>

The summary of the plans provisions are as follows:

- PARTICIPANTS** - All full-time non-uniformed employees of the Township of Crescent.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have attained the normal retirement age of sixty-two.

TOWNSHIP OF CRESCENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6 – TOWNSHIP PENSION PLANS (Continued)

NON-UNIFORM EMPLOYEES PENSION PLAN (Continued)

- 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, 2011. 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, 2011

NOTE 7 – OPERATING LEASE

In May of 2011, 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 \$215 for a period of sixty (60) months. Lease expense for the calendar year 2011 totaled \$2,140. As of December 31, 2011 there are 53 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, 2011 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, 2011

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2010
<u>TAXES:</u>			
Real estate tax - current	\$ 693,000	\$ 680,755	\$ 690,232
Real estate tax - prior	35,000	9,202	23,958
Real estate tax - lienied	25,000	25,634	42,642
Real estate tax - penalties/interest	1,000	-	-
Real estate transfer tax	20,000	25,204	40,818
Earned income tax - current	185,000	207,947	201,850
Earned income tax - penalties/interest	10,000	5,655	15,076
EMS tax	10,000	13,379	11,002
TOTAL TAXES	\$ 979,000	\$ 967,776	\$ 1,025,578
<u>LICENSES AND PERMITS:</u>			
Vending and amusement	\$ 7,500	\$ 5,925	\$ 6,635
Cable franchise fees	38,000	48,629	44,981
Street and curb permits	500	-	-
Solicitation Permit	100	65	130
TOTAL LICENSES AND PERMITS	\$ 46,100	\$ 54,619	\$ 51,746
<u>FINES AND FORFEITURES:</u>			
Vehicle code violations	\$ 13,000	\$ 16,469	\$ 16,861
State police fines	2,000	2,239	2,027
TOTAL FINES AND FORFEITURES	\$ 15,000	\$ 18,708	\$ 18,887
<u>INTEREST AND RENTS:</u>			
Interest	\$ 375	\$ 11	\$ 470
Multi-purpose room rental	1,600	2,250	2,850
Shouse Park rentals (net)	4,000	125	2,875
TOTAL INTEREST AND RENTS	\$ 5,975	\$ 2,386	\$ 6,195
<u>INTERGOVERNMENTAL:</u>			
Public utility realty tax	\$ 1,400	\$ 1,505	\$ 1,468
Alcoholic beverage licenses	400	400	800
PEMA	-	-	16,361
Pension state aid	3,200	4,836	4,077
Foreign fire insurance tax	13,000	23,207	14,157
Regional sales tax allocation	47,000	53,352	52,033
TOTAL INTERGOVERNMENTAL	\$ 65,000	\$ 83,299	\$ 88,896

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, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2010</u>
<u>CHARGES FOR SERVICES:</u>			
Zoning and subdivision	\$ 200	\$ 1,080	\$ 420
Building permits	6,000	7,253	8,926
Snow removal	11,000	13,844	16,572
Solid waste collection and disposal	175,000	142,349	144,943
Portnoff/Creditech delinquent garbage fees	19,000	24,648	18,227
Misc receipts - reports, maps, etc.	200	3,223	378
Lien letters	800	825	945
Task Force RMB	3,000	3,331	1,738
Police reports	500	815	860
TOTAL CHARGES FOR SERVICES	\$ 215,700	\$ 197,368	\$ 193,010
<u>OTHER FINANCIAL SOURCES:</u>			
Transfer from Capital Reserve Fund	\$ 69,479	\$ 50,000	\$ -
Tax anticipation loan	250,000	250,000	250,000
Refund prior year expenses	20,000	19,912	16,696
TOTAL FINANCIAL SOURCES	\$ 339,479	\$ 319,912	\$ 266,696
TOTAL RECEIPTS	\$ 1,666,254	\$ 1,644,068	\$ 1,651,008

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, 2011

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2010
GENERAL GOVERNMENT:			
LEGISLATIVE BODY:			
Personal services	\$ 300	\$ 759	\$ 295
Commissioners	5,000	5,926	6,000
Legal Notices	6,000	13,943	7,264
Vehicle Mileage Reimbursement	500	-	23
Association dues and expense	4,500	3,928	5,096
TOTAL LEGISLATIVE BODY	\$ 16,300	\$ 24,557	\$ 18,678
EXECUTIVE:			
Salary - secretary	\$ 42,000	\$ 46,235	\$ 41,259
Salary - assistant	27,040	13,636	25,787
Office supplies	3,000	2,262	4,044
Vehicle Mileage Reimbursement	500	81	56
Cell phone	600	560	513
PA one call fax charges	100	119	168
Maintenance and repair	4,500	1,145	4,060
Association dues	2,000	125	359
Misc	500	329	198
Copier Expenses	2,100	2,749	2,073
Education expense	2,500	2,160	300
TOTAL EXECUTIVE:	\$ 84,840	\$ 69,399	\$ 78,816
FINANCIAL ADMINISTRATION:			
Realstats	\$ 1,500	\$ 1,600	\$ 1,600
Comcast	1,300	-	475
Bank Service Charges	-	6	1,916
Professional auditors	3,500	3,121	3,075
TOTAL FINANCIAL ADMINISTRATION	\$ 6,300	\$ 4,726	\$ 7,066
TAX COLLECTION:			
Salary - treasurer and tax collector	\$ 10,000	\$ 10,000	\$ 10,000
Delinquent property tax	3,500	2,052	4,143
Treasurer	2,500	2,465	2,340
Computer maintenance	2,000	-	-
EIT - Keystone Commission	3,700	2,484	4,583
EMST - Keystone Commission	500	109	108
Envelopes and Postage	1,950	2,290	1,283
Liened property	2,000	3,840	4,257
Association dues and expenses	1,000	215	2,772
TOTAL TAX COLLECTION	\$ 27,150	\$ 23,455	\$ 29,487
LEGAL SERVICES:			
Solicitor monthly compensation	\$ 39,000	\$ 36,769	\$ 16,791
Solicitor expenses	-	-	4,756
Other legal fees	1,000	5,311	7,263
Labor Counsel	-	-	127
TOTAL LEGAL SERVICES	\$ 40,000	\$ 42,081	\$ 28,937

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, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(MEMORANDUM ONLY)</u> <u>2010</u>
<u>ENGINEER:</u>			
Engineer/architect fees	\$ 15,000	\$ 24,415	\$ 12,597
TOTAL ENGINEER	\$ 15,000	\$ 24,415	\$ 12,597
<u>GOVERNMENT BUILDING & PLANT:</u>			
Cleaning services	\$ 11,253	\$ 11,253	\$ 12,005
Supplies	2,500	1,303	2,171
Phones	3,000	4,216	3,989
Utilities	14,960	10,312	11,604
Capital Projects	10,000	2,045	4,948
Building maintenance and repair	6,000	5,897	5,716
TOTAL GOVERNMENT BUILDING & PLANT	\$ 47,713	\$ 35,027	\$ 40,434
TOTAL GENERAL GOVERNMENT	\$ 237,303	\$ 223,660	\$ 216,015
<u>PUBLIC SAFETY:</u>			
<u>POLICE PROTECTION:</u>			
Salary - chief	\$ 64,800	\$ 77,082	\$ 34,044
Wages - patrolmen	82,592	91,498	119,210
Wages - captain	47,050	46,926	44,285
Wages - sergeants	42,890	43,774	42,770
Task Force Wages	2,900	1,299	3,365
Longevity Pay	4,391	4,391	3,348
Overtime	30,140	18,124	24,122
Vehicle Mileage Reimbursement	250	-	-
Uniform allowance	4,500	7,403	5,265
Team Legal	1,130	1,086	891
Supplies	4,500	1,897	1,896
Gasoline and oil	10,000	12,824	9,785
Vehicle maintenance	8,000	5,702	6,560
Vehicle Wireless Computer Fee	1,900	2,030	2,006
Police Vehicle Purchase	25,000	24,675	-
Pre-Employment Physicals	500	725	497
S-1 region	1,100	1,100	1,100
Cell phone	2,700	3,254	2,469
Radio equipment maintenance	750	-	726
Purchase police radio	750	-	750
Computer maintenance	2,700	3,323	5,542
Investigation fund	100	-	-
Association dues and expenses	1,000	558	100
Education expense	2,500	478	2,007
Police Copier Expense	500	678	540
Moon - dispatch	3,400	2,992	2,904
Civil Service Exams	500	499	329
Ammunition	1,500	336	1,197
Police - other	-	-	749
Capital purchases	7,700	4,283	8,195
TOTAL POLICE PROTECTION	\$ 355,743	\$ 356,936	\$ 324,651
<u>FIRE PROTECTION:</u>			
Fire hydrant rental	\$ 8,400	\$ 8,500	\$ 8,500
Fire department contribution	1,500	-	-
Foreign fire insurance	13,000	23,207	14,157
TOTAL FIRE PROTECTION	\$ 22,900	\$ 31,707	\$ 22,657

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, 2011

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2010
<u>AMBULANCE SERVICE:</u>			
General expense	\$ 600	\$ 600	\$ 600
TOTAL AMBULANCE SERVICE	\$ 600	\$ 600	\$ 600
<u>EMERGENCY MANAGEMENT:</u>			
Emergency Management Expenses	\$ 500	\$ 307	\$ -
TOTAL EMERGENCY MANAGEMENT	\$ 500	\$ 307	\$ -
<u>PLANNING AND ZONING:</u>			
Building inspector wages	\$ 6,200	\$ 4,754	\$ 5,703
Zoning hearing board	100	-	-
Zoning hearing board - solicitor	500	-	-
Planning and zoning expenses	400	44	-
Dues, memberships, and subscriptions	100	-	-
Education expense	100	-	-
TOTAL PLANNING AND ZONING	\$ 7,400	\$ 4,798	\$ 5,703
TOTAL PUBLIC SAFETY	\$ 387,143	\$ 394,347	\$ 353,610
<u>PUBLIC WORKS:</u>			
<u>SANITATION:</u>			
Contracted services	\$ 154,000	\$ 153,778	\$ 155,388
Billing service	3,500	3,446	3,479
Portnoff Assoc. delinquent collector	4,500	3,675	4,462
TOTAL SANITATION	\$ 162,000	\$ 160,899	\$ 163,329
<u>HIGHWAYS:</u>			
Road wages	\$ 124,000	\$ 111,450	\$ 111,959
Overtime	6,240	6,423	9,380
Uniform allowance	1,200	1,040	989
Materials and supplies	8,750	12,547	7,392
Vehicle fuel	8,000	8,048	7,537
Highway materials	57,200	56,208	51,506
Equipment Rental/Purchase	2,000	2,813	437
Equipment Repair	1,500	1,659	614
Vehicle repair and maintenance	9,900	6,786	13,660
Tires	2,000	1,068	1,418
CDL testing expenses	400	391	412
Cell phone	1,400	1,133	561
Association Dues and Expenses	1,000	170	166
Education/training	400	215	30
Capital construction-roads	50,000	50,000	50,000
Capital purchases	12,120	1,500	2,151
TOTAL HIGHWAYS	\$ 286,110	\$ 261,450	\$ 258,211
TOTAL PUBLIC WORKS	\$ 448,110	\$ 422,349	\$ 421,541

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, 2011

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2010
<u>CULTURE AND RECREATION:</u>			
<u>RECREATION:</u>			
Materials and supplies	\$ 7,100	\$ 2,590	\$ 2,462
Recreation Board	3,800	3,743	3,640
Professional services	1,500	-	-
Grass maintenance	9,900	8,610	10,250
Utilities	2,000	2,506	1,708
Parks Board	3,800	31	364
Civic Club donation	1,000	1,000	1,000
TOTAL RECREATION	\$ 29,100	\$ 18,479	\$ 19,424
<u>SENIOR CITIZEN'S CENTER:</u>			
General expense	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL SENIOR CITIZEN'S CENTER	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL CULTURE AND RECREATION	\$ 30,100	\$ 19,479	\$ 20,424
<u>DEBT SERVICE:</u>			
10 Ton Truck	\$ 13,000	\$ 23,620	\$ 12,309
DCED Loan Police	4,300	8,244	1,374
TAN interest	3,500	3,362	3,403
TAN Principal	250,000	250,000	250,000
TOTAL DEBT SERVICE	\$ 270,800	\$ 285,226	\$ 267,086
<u>MISCELLANEOUS:</u>			
Intergovernmental	\$ 2,500	\$ 2,323	\$ -
Health and disability insurance	127,095	103,202	97,180
Non-uniform pension contribution	3,000	-	4,077
Uniform Employee Pension	2,703	4,846	2,704
Social security taxes - township share	29,000	31,933	32,040
Medicare - township share	7,600	7,468	7,493
Unemployment compensation insurance	5,000	27,650	4,587
Workmens compensation insurance	23,700	32,889	26,721
Package insurance	31,000	30,929	36,320
Public official insurance	2,500	-	2,500
Police professional insurance	2,500	180	2,662
Bonds	1,500	1,863	2,689
TOTAL MISCELLANEOUS	\$ 238,098	\$ 243,284	\$ 218,973
<u>OTHER FINANCING USES:</u>			
Transfer to capital reserve fund	\$ -	\$ 12,976	\$ 80,899
Transfer to Firemens Referendum	53,000	53,267	55,007
Refund prior year revenues	-	15	2,460
Refund property taxes	1,500	3,662	7,845
Refund wage taxes	200	-	-
TOTAL OTHER FINANCING USES	\$ 54,700	\$ 69,920	\$ 146,212
TOTAL DISBURSEMENTS AND OTHER FINANCING USES	\$ 1,666,254	\$ 1,658,265	\$ 1,643,860

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, 2011**

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>				
POLICE:						
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%
1/1/11	871,434	767,406	(104,028)	114%	239,629	-43.4%
NON-UNIFORM:						
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%
1/1/11	557,869	447,585	(110,284)	125%	185,051	-59.6%

SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:

	<u>YEAR ENDED DECEMBER 31</u>	<u>ANNUAL REQ. CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
POLICE:			
	2005	\$ -	N/A
	2006	-	N/A
	2007	-	N/A
	2008	-	N/A
	2009	-	N/A
	2010	2,703	N/A
	2011	3,682	100%
NON-UNIFORM			
	2005	\$ 4,744	100%
	2006	2,954	100%
	2007	9,592	100%
	2008	8,738	100%
	2009	2,456	100%
	2010	3,479	100%
	2011	-	N/A

TOWNSHIP OF CRESCENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011

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