

TOWNSHIP OF CRESCENT

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

**TOWNSHIP OF CRESCENT**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2015**

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

**Independent Auditor's Report**

**Report on Financial Statements**

I have audited the accompanying basic 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, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

### ***Basis for Adverse Opinion on Governmental Activities***

As described in Note 1, Township of Crescent prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Generally accepted accounting principles requires the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities is not reasonably determinable.

### ***Adverse Opinion***

In my opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the statement of net position (Exhibit A) and statement of activities (Exhibit B) referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Township of Crescent as of December 31, 2015, and the changes in financial position thereof for the year then ended.

### ***Unmodified Opinion***

In my opinion, the basic financial statements referred to above, excluding the statement of net assets (Exhibit A) and statement of activities (Exhibit B), present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Township of Crescent as of December 31, 2015, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Other Supplementary Information***

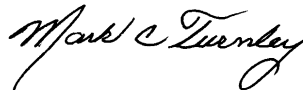
Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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.

Accounting principles generally accepted in the United States of America require that the defined benefit pension information on pages 29-30 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 other 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.

#### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Crescent's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The memorandum only information contained on Schedules 1 and 2 for calendar year 2014 were audited by me, and I expressed an unqualified opinion on them in my report dated May 11, 2015, but I have not performed any auditing procedures since that date on these statements.



Mark C. Turnley, CPA

June 8, 2016  
New Brighton, Pennsylvania

**TOWNSHIP OF CRESCENT**  
**STATEMENT OF NET POSITION (CASH BASIS)**  
**DECEMBER 31, 2015**

**EXHIBIT A**

|                                           | <b>Governmental<br/>Activities</b> |
|-------------------------------------------|------------------------------------|
| <b>ASSETS</b>                             |                                    |
| <b>Current Assets:</b>                    |                                    |
| Cash and Cash Equivalents                 | \$ 398,033                         |
| Investments                               | 337,237                            |
| Prepaid (Payroll)                         | 21,303                             |
| <b>Total Current Assets</b>               | <b>\$ 756,573</b>                  |
| <b>TOTAL ASSETS</b>                       | <b>\$ 756,573</b>                  |
| <br>                                      |                                    |
| <b>LIABILITIES</b>                        |                                    |
| <b>Current Liabilities:</b>               |                                    |
| Payroll Withholdings                      | \$ 24                              |
| <b>Total Current Liabilities</b>          | <b>\$ 24</b>                       |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 24</b>                       |
| <br>                                      |                                    |
| <b>NET POSITION</b>                       |                                    |
| Restricted For:                           |                                    |
| Highways and Streets                      | \$ 57,183                          |
| Fire Department                           | 67,709                             |
| Unrestricted                              | 631,657                            |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 756,549</b>                  |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 756,573</b>                  |

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, 2015**

| Functions/Programs                                | Disbursements       | Program Receipts        |                                          | Net (Disbursements) Receipts<br>and Changes in<br>Net Position |
|---------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------------------------------|
|                                                   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                                     |
| <b>Governmental Activities:</b>                   |                     |                         |                                          |                                                                |
| General Government                                | \$ 283,103          | \$ 70,142               | \$ -                                     | \$ (212,961)                                                   |
| Public Safety - Police                            | 503,836             | 16,316                  | 955                                      | (486,565)                                                      |
| Public Safety - Fire                              | 97,299              | -                       | 14,425                                   | (82,874)                                                       |
| Public Safety - Other                             | 10,424              | 6,222                   | -                                        | (4,202)                                                        |
| Public Works - Sanitation                         | 159,351             | 172,941                 | -                                        | 13,590                                                         |
| Public Works - Highways                           | 507,025             | 17,545                  | 66,260                                   | (423,220)                                                      |
| Culture and Recreation                            | 32,522              | 4,700                   | -                                        | (27,822)                                                       |
| Debt Service                                      | 1,755               | -                       | -                                        | (1,755)                                                        |
| Insurance and Employee Benefits                   | 16,754              | -                       | 28,055                                   | 11,301                                                         |
| Miscellaneous                                     | 10,112              | -                       | -                                        | (10,112)                                                       |
| <b>Total Governmental Activities</b>              | <b>\$ 1,622,181</b> | <b>\$ 287,866</b>       | <b>\$ 109,695</b>                        | <b>(1,224,620)</b>                                             |
| <b>Total Primary Government</b>                   | <b>\$ 1,622,181</b> | <b>\$ 287,866</b>       | <b>\$ 109,695</b>                        | <b>\$ (1,224,620)</b>                                          |
| <b>General Receipts:</b>                          |                     |                         |                                          |                                                                |
| Taxes:                                            |                     |                         |                                          |                                                                |
| Property Taxes, Levied for General Purposes (net) |                     |                         |                                          | \$ 837,243                                                     |
| Act 511 and Other Taxes                           |                     |                         |                                          | 426,732                                                        |
| Investment Earnings                               |                     |                         |                                          | 168                                                            |
| Sale of Fixed Assets                              |                     |                         |                                          | 1,000                                                          |
| Miscellaneous                                     |                     |                         |                                          | 28,286                                                         |
| <b>Total General Receipts</b>                     |                     |                         |                                          | <b>\$ 1,293,429</b>                                            |
| <b>Change in Net Position</b>                     |                     |                         |                                          | <b>\$ 68,809</b>                                               |
| Net Position — January 1, 2015                    |                     |                         |                                          | 687,740                                                        |
| <b>Net Position — December 31, 2015</b>           |                     |                         |                                          | <b>\$ 756,549</b>                                              |

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF CRESCENT  
BALANCE SHEET (CASH BASIS)  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

**EXHIBIT C**

|                                                    | <b>GENERAL<br/>FUND</b> | <b>CAPITAL<br/>RESERVE<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|----------------------------------------------------|-------------------------|-------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                     |                         |                                     |                                             |                                         |
| Cash and Cash Equivalents                          | \$ 391,087              | \$ -                                | \$ 6,946                                    | \$ 398,033                              |
| Investments                                        | -                       | 212,345                             | 124,892                                     | 337,237                                 |
| Prepaid (Payroll)                                  | 21,303                  | -                                   | -                                           | 21,303                                  |
| <b>TOTAL ASSETS</b>                                | <b>\$ 412,390</b>       | <b>\$ 212,345</b>                   | <b>\$ 131,838</b>                           | <b>\$ 756,573</b>                       |
| <br><b>LIABILITIES AND FUND BALANCES</b>           |                         |                                     |                                             |                                         |
| <b>LIABILITIES:</b>                                |                         |                                     |                                             |                                         |
| Payroll Withholdings                               | \$ 24                   | \$ -                                | \$ -                                        | \$ 24                                   |
| <b>TOTAL LIABILITIES</b>                           | <b>\$ 24</b>            | <b>\$ -</b>                         | <b>\$ -</b>                                 | <b>\$ 24</b>                            |
| <br><b>FUND BALANCES:</b>                          |                         |                                     |                                             |                                         |
| Non-spendable                                      | \$ 21,303               | \$ -                                | \$ -                                        | \$ 21,303                               |
| Restricted:                                        |                         |                                     |                                             |                                         |
| Highway Aid Fund                                   | -                       | -                                   | 57,183                                      | 57,183                                  |
| Fire Department Fund                               | -                       | -                                   | 67,709                                      | 67,709                                  |
| Assigned                                           | -                       | 212,345                             | 6,946                                       | 219,291                                 |
| Unassigned                                         | 391,063                 | -                                   | -                                           | 391,063                                 |
| <b>TOTAL FUND BALANCES</b>                         | <b>\$ 412,366</b>       | <b>\$ 212,345</b>                   | <b>\$ 131,838</b>                           | <b>\$ 756,549</b>                       |
| <br><b>TOTAL LIABILITIES AND FUND<br/>BALANCES</b> | <br><b>\$ 412,390</b>   | <br><b>\$ 212,345</b>               | <br><b>\$ 131,838</b>                       | <br><b>\$ 756,573</b>                   |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|                                                                | <u>GENERAL FUND</u> | <u>CAPITAL<br/>RESERVE<br/>FUND</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUND</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|----------------------------------------------------------------|---------------------|-------------------------------------|--------------------------------------------|-----------------------------------------|
| <b><u>RECEIPTS</u></b>                                         |                     |                                     |                                            |                                         |
| Taxes                                                          | \$ 1,186,572        | \$ -                                | \$ -                                       | \$ 1,186,572                            |
| Licenses and Permits                                           | 60,979              | -                                   | -                                          | 60,979                                  |
| Fines and Forfeitures                                          | 13,209              | -                                   | 185                                        | 13,394                                  |
| Interest and Rents                                             | 8,858               | 67                                  | 43                                         | 8,968                                   |
| Intergovernmental                                              | 121,161             | -                                   | 66,260                                     | 187,421                                 |
| Charges for Services                                           | 204,372             | -                                   | -                                          | 204,372                                 |
| <b>Total Receipts</b>                                          | <b>\$ 1,595,151</b> | <b>\$ 67</b>                        | <b>\$ 66,488</b>                           | <b>\$ 1,661,706</b>                     |
| <b><u>DISBURSEMENTS</u></b>                                    |                     |                                     |                                            |                                         |
| General Government                                             | \$ 283,103          | \$ -                                | \$ -                                       | \$ 283,103                              |
| Public Safety - Police                                         | 469,390             | -                                   | 34,446                                     | 503,836                                 |
| Public Safety - Fire                                           | 48,771              | -                                   | 48,528                                     | 97,299                                  |
| Public Safety - Other                                          | 10,424              | -                                   | -                                          | 10,424                                  |
| Public Works - Sanitation                                      | 159,351             | -                                   | -                                          | 159,351                                 |
| Public Works - Highways                                        | 424,422             | -                                   | 82,603                                     | 507,025                                 |
| Culture and Recreation                                         | 32,522              | -                                   | -                                          | 32,522                                  |
| Debt Service                                                   | 251,755             | -                                   | -                                          | 251,755                                 |
| Miscellaneous                                                  | 20,916              | -                                   | -                                          | 20,916                                  |
| <b>Total Disbursements</b>                                     | <b>\$ 1,700,655</b> | <b>\$ -</b>                         | <b>\$ 165,577</b>                          | <b>\$ 1,866,231</b>                     |
| <b>Excess ( Deficiency) of Receipts<br/>over Disbursements</b> | <b>\$ (105,504)</b> | <b>\$ 67</b>                        | <b>\$ (99,089)</b>                         | <b>\$ (204,525)</b>                     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                   |                     |                                     |                                            |                                         |
| Refund of Prior Year Expenses                                  | \$ 28,285           | \$ -                                | \$ -                                       | \$ 28,285                               |
| Refund of Prior Year Receipts                                  | (5,950)             | -                                   | -                                          | (5,950)                                 |
| Tax Anticipation Note                                          | 250,000             | -                                   | -                                          | 250,000                                 |
| Sale of Township Property                                      | 1,000               | -                                   | -                                          | 1,000                                   |
| Operating Transfers In                                         | -                   | -                                   | 103,052                                    | 103,052                                 |
| Operating Transfers Out                                        | (103,052)           | -                                   | -                                          | (103,052)                               |
| <b>Total Other Financing Sources (Uses)</b>                    | <b>\$ 170,283</b>   | <b>\$ -</b>                         | <b>\$ 103,052</b>                          | <b>\$ 273,335</b>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                             | <b>\$ 64,779</b>    | <b>\$ 67</b>                        | <b>\$ 3,963</b>                            | <b>\$ 68,809</b>                        |
| FUND BALANCE - JANUARY 1, 2015                                 | 347,587             | 212,278                             | 127,875                                    | 687,740                                 |
| <b>FUND BALANCE - DECEMBER 31, 2015</b>                        | <b>\$ 412,366</b>   | <b>\$ 212,345</b>                   | <b>\$ 131,838</b>                          | <b>\$ 756,549</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, 2015**

|                                                                | Budgeted Amounts    |                     | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------------------------|---------------------|---------------------|-----------------------------|---------------------------------------------------------|
|                                                                | Original            | Final               |                             |                                                         |
| <b>RECEIPTS</b>                                                |                     |                     |                             |                                                         |
| Taxes                                                          | \$ 1,102,593        | \$ 1,102,593        | \$ 1,186,572                | \$ 83,979                                               |
| Licenses and Permits                                           | 58,900              | 58,900              | 60,979                      | 2,079                                                   |
| Fines and Forfeitures                                          | 12,550              | 12,550              | 13,209                      | 659                                                     |
| Interest and Rents                                             | 7,818               | 7,818               | 8,858                       | 1,040                                                   |
| Intergovernmental                                              | 99,800              | 99,800              | 121,161                     | 21,361                                                  |
| Charges for Services                                           | 202,850             | 202,850             | 204,372                     | 1,522                                                   |
| <b>Total Receipts</b>                                          | <b>\$ 1,484,511</b> | <b>\$ 1,484,511</b> | <b>\$ 1,595,151</b>         | <b>\$ 110,640</b>                                       |
| <b>DISBURSEMENTS</b>                                           |                     |                     |                             |                                                         |
| General Government                                             | \$ 291,435          | \$ 291,435          | \$ 283,103                  | \$ 8,332                                                |
| Public Safety - Police                                         | 500,463             | 500,463             | 469,390                     | 31,073                                                  |
| Public Safety - Fire                                           | 49,100              | 49,100              | 48,771                      | 329                                                     |
| Public Safety - Other                                          | 7,850               | 7,850               | 10,424                      | (2,574)                                                 |
| Public Works - Sanitation                                      | 161,700             | 161,700             | 159,351                     | 2,349                                                   |
| Public Works - Highways                                        | 459,120             | 459,120             | 424,422                     | 34,698                                                  |
| Culture and Recreation                                         | 27,800              | 27,800              | 32,522                      | (4,722)                                                 |
| Debt Service                                                   | 252,000             | 252,000             | 251,755                     | 245                                                     |
| Miscellaneous                                                  | 29,200              | 29,200              | 20,916                      | 8,284                                                   |
| <b>Total Disbursements</b>                                     | <b>\$ 1,778,668</b> | <b>\$ 1,778,668</b> | <b>\$ 1,700,655</b>         | <b>\$ 78,014</b>                                        |
| <b>Excess ( Deficiency) of Receipts<br/>over Disbursements</b> | <b>\$ (294,157)</b> | <b>\$ (294,157)</b> | <b>\$ (105,504)</b>         | <b>\$ 188,654</b>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                          |                     |                     |                             |                                                         |
| Refund of Prior Year Expenses                                  | \$ 19,515           | \$ 19,515           | \$ 28,285                   | \$ 8,770                                                |
| Refund of Prior Year Receipts                                  | (1,872)             | (1,872)             | (5,950)                     | (4,078)                                                 |
| Loan Proceeds                                                  | 250,000             | 250,000             | 250,000                     | -                                                       |
| Sale of Fixed Assets                                           | 1,000               | 1,000               | 1,000                       | -                                                       |
| Operating Transfers In                                         | 18,500              | 18,500              | -                           | (18,500)                                                |
| Operating Transfers Out                                        | (76,986)            | (76,986)            | (103,052)                   | (26,066)                                                |
| <b>Total Other Financing Sources (Uses)</b>                    | <b>\$ 210,157</b>   | <b>\$ 210,157</b>   | <b>\$ 170,283</b>           | <b>\$ (39,874)</b>                                      |
| <b>NET CHANGE IN FUND BALANCES</b>                             | <b>\$ (84,000)</b>  | <b>\$ (84,000)</b>  | <b>\$ 64,779</b>            | <b>\$ 148,779</b>                                       |
| FUND BALANCE - JANUARY 1, 2015                                 | 84,000              | 84,000              | 347,587                     | 263,587                                                 |
| <b>FUND BALANCE - DECEMBER 31, 2015</b>                        | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 412,366</b>           | <b>\$ 412,366</b>                                       |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF CRESCENT  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2015

|                           | <u>TAX<br/>COLLECTOR<br/>DEFERRED PAY<br/>FUND</u> |
|---------------------------|----------------------------------------------------|
| <b><u>ASSETS</u></b>      |                                                    |
| Cash                      | \$ 26,490                                          |
| <b>TOTAL ASSETS</b>       | <b><u>\$ 26,490</u></b>                            |
| <b><u>LIABILITIES</u></b> |                                                    |
| Other Current Liabilities | \$ 26,490                                          |
| <b>TOTAL LIABILITIES</b>  | <b><u>\$ 26,490</u></b>                            |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

As herein described Note 1, the financial statements of the Township of Crescent are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting. The more significant accounting policies used by the Township are discussed below.

**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. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. The Township of Crescent has no component units.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (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 1. 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. Generally accepted accounting standards 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.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF PRESENTATION (Continued)**

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

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

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

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. The focus of 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 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, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**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

**PUBLIC WORKS VEHICLE FUND** (CAPITAL PROJECT) – Established in 2012 to accumulate monies to purchase a new public works vehicle.

**POLICE VEHICLE FUND** (CAPITAL PROJECT) – Established in 2012 to accumulate monies to purchase a new police vehicle.

**MCCUTCHEON WAY SLIDE REPAIR FUND** (CAPITAL PROJECT) – Established in 2012 to accumulate monies for use on the McCutcheon Way Slide repair.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. 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's police pension and non-uniform pension are maintained by the Pennsylvania Municipal Retirement System (PMRS). The Township has an agency fund (tax collector deferred pay fund). In June of 2014, the Township entered into an agreement with its elected Tax Collector, whereby the Tax Collector requested that the Township defer the payment of all compensation entitled to the Tax Collector until April 1, 2017. As part of this request, the Tax Collector agreed to hold the Township harmless for any cost and interest or penalty that may arise as a result of the aforementioned compensation deferral.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 2014, 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 \$1,857,526 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).

The Township of Crescent investment portfolio is in compliance with Section 1705 of the First Class Township Code at December 31, 2015.



**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 position, governmental inter-fund receivables and payables have been eliminated. During the 2015 year, the General Fund transferred \$70,091 to the Fire Department Fund for its portion of the real estate tax millage (.0005) assessment, and \$18,961 to the Public Works Vehicle Fund and \$14,000 to the Police Vehicle Fund for 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.

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position 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, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.
- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expenditure can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND EQUITY (Continued)**

- Non-spendable fund balance – amounts that are not in spendable form (such as inventory) 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 – amount 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 government 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 – amount that are available for any purpose

The Township has not adopted a formal written GASB 54 policy.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2015, the Township of Crescent had the following carrying values on its cash and cash equivalent accounts:

|                              | <b>Bank<br/>Balance</b> | <b>(Memo Only)<br/>Book<br/>Balance</b> |
|------------------------------|-------------------------|-----------------------------------------|
| General Fund                 | \$ 418,509              | \$ 391,087                              |
| Non Major Governmental Funds | 6,946                   | 6,946                                   |
| Fiduciary Funds              | 26,490                  | 26,490                                  |
| <b>TOTAL</b>                 | <b>\$ 451,945</b>       | <b>\$ 424,523</b>                       |

The difference between the bank balance and the book balance represents reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account is \$250,000 per official custodian. The coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS (Continued)**

**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, 2015, \$201,945 of the Township's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits at each depository in excess of \$250,000, if any, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The following represents the fair value of the Township's governmental fund investments as of December 31, 2015:

|                            | <b><u>Fair Value</u></b> |
|----------------------------|--------------------------|
| <b>GOVERNMENTAL FUNDS:</b> |                          |
| PLGIT                      | \$ 337,009               |
| Deposit in Transit         | 228                      |
|                            | <b><u>\$ 337,237</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 position to compute share prices. The fund maintains net asset values of \$1 per share. Accordingly, the fair value of the position in this fund is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization and PLGIT annual report can be obtained by accessing the web at [www.plgit.com](http://www.plgit.com).

**Custodial Credit Risk:**

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

**Credit Risk:**

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

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 3 - PROPERTY TAXES**

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

**PAYMENT PERIOD**

|                          |                   |
|--------------------------|-------------------|
| March 1 – April 30, 2015 | (Discount period) |
| May 1 – June 30, 2015    | (Face period)     |
| July 1, 2015 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 2015 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 2015 totaling \$38,574 as of December 31, 2015. This represents 5.0% of the Township's original assessment for the year totaling \$829,601.

The tax millage assessment for the 2015 calendar year is 6.4 mills on the assessed value of land and buildings (\$129,625,113), which represents \$6.40 of revenue for every \$1,000 of assessed value. Total millage is comprised of 5.9 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 4 - GOVERNMENTAL DEBT OBLIGATIONS**

**TAX ANTICIPATION NOTE**

In January of 2015, the Township received a tax anticipation note in the amount of \$250,000 from PNC Bank at an interest rate of 1.40% which was repaid by the Township in 2015.

**LEASE PAYABLES**

In January of 2014, the Township entered into a lease agreement with Ford Motor Credit Company for the purchase of a 2014 Ford F550 Dump Truck totaling \$80,403. The terms of the lease call for an initial payment of \$30,000 and for annual principal and interest payments of \$11,468.32 for five years at an interest rate of 5.2%. The lease is scheduled to mature in August of 2018.

In January of 2015, the Township entered into a lease agreement with First National Bank Commercial Leasing for the purchase of a 2015 Loader Backhoe totaling \$29,604. The terms of the lease call for annual principal and interest payments of \$10,357.74 for three years at an interest rate of 3.65%. The lease is scheduled to mature in June of 2017.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 4 - GOVERNMENTAL DEBT OBLIGATIONS (Continued)**

The following is schedule of the remaining debt service obligation on these leases:

| Year End<br>31-Dec | Dump Truck<br>Principal | Backhoe<br>Principal | Interest        | Total            |
|--------------------|-------------------------|----------------------|-----------------|------------------|
| 2016               | \$ 9,850                | \$ 9,629             | \$ 2,347        | \$ 21,826        |
| 2017               | 10,363                  | 9,987                | 1,476           | 21,826           |
| 2018               | 10,901                  | -                    | 567             | 11,468           |
|                    | <u>\$ 31,114</u>        | <u>\$ 19,616</u>     | <u>\$ 4,390</u> | <u>\$ 55,120</u> |

The following represents the changes in the Township's long-term liabilities during 2015:

|                            | <b>Balance<br/>1/1/2015</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>12/31/2015</b> | <b>Due Within<br/>One Year</b> |
|----------------------------|-----------------------------|------------------|-------------------|-------------------------------|--------------------------------|
| Lease Purchase Obligations | \$ 40,477                   | \$ 29,604        | \$ 19,351         | \$ 50,730                     | \$ 19,479                      |
|                            | <u>\$ 40,477</u>            | <u>\$ 29,604</u> | <u>\$ 19,351</u>  | <u>\$ 50,730</u>              | <u>\$ 19,479</u>               |

**NOTE 5 - TOWNSHIP PENSION PLANS**

**DESCRIPTION OF PLANS**

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 Non-Uniform Pension Plan is a single-employer defined benefit pension plan, established August 1, 1978 to provide benefits to all qualified non-uniform employees, controlled by the provisions of Ordinance No. 389 adopted pursuant to Act 15 of 1974. Both plans participate in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office or visiting their website at pmrs.state.pa.us.

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 5 - TOWNSHIP PENSION PLANS (Continued)**

Plan membership as of December 31, 2014 was comprised of:

|                                                                       | <u>POLICE</u> | <u>NON<br/>UNIFORM</u> |
|-----------------------------------------------------------------------|---------------|------------------------|
| Active employees                                                      | 3             | 5                      |
| Retirees and beneficiaries currently receiving benefits               | 1             | 2                      |
| Inactive employees entitled to benefits<br>but not yet receiving them | 1             | 1                      |
| Total                                                                 | <u>5</u>      | <u>8</u>               |

**PLAN BENEFITS**

The Police Pension Plan provides retirement and death benefits to eligible plan members and their beneficiaries. All participants are eligible for retirement benefits provided that they have completed 12 years of credited service as a Township employee and have attained the age of 55. Monthly pension benefits are equal to 2.5% times the participant's average monthly salary earned during the 36 month period preceding retirement. The plan provides terminated employees with a return of their contributions, if any, plus 6% interest. Participants are fully vested upon completion of twelve (12) years of service.

The Non-Uniform Pension Plan provides retirement and death benefits to eligible plan members and their beneficiaries. All participants are eligible for retirement benefits provided that they have attained the normal retirement age of 62. Monthly pension benefits are equal to 1.5% times average monthly compensation during the 60 month period preceding retirement. The plan provides terminated employees with a return of their contributions, if any, plus 6% interest. Participants are fully vested upon completion of twelve (12) years of service.

**PLAN CONTRIBUTION REQUIREMENTS**

Employer contributions are actuarially determined reflecting a payment equal to annual Normal Cost, the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level dollar amount over a closed period. This contribution is based upon the Minimum Municipal Obligation (MMO) as defined in Act 205. For the calendar year 2015, the Township contributed \$28,970 and \$-0- respectively to the Police and Non-Uniform Pension Plans. Participants of both pension plans were not required to contribute to the plans during calendar year 2015.

Since the Township does not present its statement of net position and statement of activities in conformity with generally accepted accounting principles, it is not required to adopt the accounting and financial reporting provisions under Governmental Accounting Standards Board Statement No. 68 'Accounting and Financial Report for Pensions'. The Pennsylvania Municipal Retirement System provided all participating members with the required information necessary to comply with GASB 68. This information is available for review at [www.pmr.state.pa.us/yearEndRptg/index.html](http://www.pmr.state.pa.us/yearEndRptg/index.html). Certain of the highlights contained within this report are as follows:

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 5 - TOWNSHIP PENSION PLANS (Continued)**

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY**

The Township's net pension liability (NPL) was measured as of December 31, 2014. The total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date using a set of actuarial assumptions. These assumptions are based on the PMRS Experience Study for the period covering January 1, 2005 through December 31, 2008 issued by the actuary in July 2010, covering the defined benefit plan participants and all retirees, as well as subsequent Board approved assumption changes, such as the decrease in the regular interest to 5.50% for the January 1, 2013 actuarial valuation.

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets), and the Net Pension Liability (NPL) as of the Measurement date.

**POLICE PENSION PLAN:**

|                                                       | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability<br/>( c )</b> |
|-------------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------|
| <b>Balances at 12/31/13</b>                           | \$ 996,830                                   | \$ 1,014,852                                     | \$ (18,022)                                |
| Changes for the year:                                 |                                              |                                                  |                                            |
| Service cost                                          | 33,526                                       | -                                                | 33,526                                     |
| Interest                                              | 55,842                                       | -                                                | 55,842                                     |
| Changes of benefits                                   | -                                            | -                                                | -                                          |
| Changes of assumptions                                | -                                            | -                                                | -                                          |
| Differences between expected<br>and actual experience | 33,286                                       | -                                                | 33,286                                     |
| Contributions - employer                              | -                                            | 21,995                                           | (21,995)                                   |
| Contributions - member                                | -                                            | -                                                | -                                          |
| PMRS investment income                                | -                                            | 55,889                                           | (55,889)                                   |
| Market value investment income                        | -                                            | 14,462                                           | (14,462)                                   |
| Transfers                                             | -                                            | -                                                | -                                          |
| Benefit payments                                      | (30,502)                                     | (30,502)                                         | -                                          |
| PMRS administrative expense                           | -                                            | (100)                                            | 100                                        |
| Additional administrative expense                     | -                                            | (2,143)                                          | 2,143                                      |
| Net changes                                           | <u>92,152</u>                                | <u>59,601</u>                                    | <u>32,551</u>                              |
| <b>Balances at 12/31/14</b>                           | <u>\$ 1,088,982</u>                          | <u>\$ 1,074,453</u>                              | <u>\$ 14,529</u>                           |

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 5 - TOWNSHIP PENSION PLANS (Continued)**

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY**

**NON-UNIFORM PLAN:**

|                                                       | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability<br/>( c )</b> |
|-------------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------|
| <b>Balances at 12/31/13</b>                           | \$ 482,039                                   | \$ 627,502                                       | \$ (145,463)                               |
| Changes for the year:                                 |                                              |                                                  |                                            |
| Service cost                                          | 21,777                                       | -                                                | 21,777                                     |
| Interest                                              | 26,980                                       | -                                                | 26,980                                     |
| Changes of benefits                                   | -                                            | -                                                | -                                          |
| Changes of assumptions                                | -                                            | -                                                | -                                          |
| Differences between expected<br>and actual experience | 86,441                                       | -                                                | 86,441                                     |
| Contributions - employer                              | -                                            | 8,446                                            | (8,446)                                    |
| Contributions - member                                | -                                            | 2,100                                            | (2,100)                                    |
| PMRS investment income                                | -                                            | 34,162                                           | (34,162)                                   |
| Market value investment income                        | -                                            | 20,389                                           | (20,389)                                   |
| Transfers                                             | -                                            | -                                                | -                                          |
| Benefit payments                                      | (24,761)                                     | (24,761)                                         | -                                          |
| PMRS administrative expense                           | -                                            | (220)                                            | 220                                        |
| Additional administrative expense                     | -                                            | (1,310)                                          | 1,310                                      |
| Net changes                                           | <u>110,437</u>                               | <u>38,806</u>                                    | <u>71,631</u>                              |
| <b>Balances at 12/31/14</b>                           | <u>\$ 592,476</u>                            | <u>\$ 666,308</u>                                | <u>\$ (73,832)</u>                         |

The above does not reflect changes in benefits or assumptions after January 1, 2015. Because the beginning and end of year TPL are based upon different actuarial valuation dates, there is a difference between expected and actual experience reported this year. The beginning of year TPL is based upon the January 1, 2014 actuarial valuation with liabilities measured at December 31, 2013. The end of year TPL is based upon the January 1, 2015 actuarial valuation with liabilities measured at December 31, 2014. The actuarial methods and assumptions used to calculate the Total Pension Liability are fully described in the GASB 68 Report of PMRS.

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer 'plan fiduciary net position.' PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year.



**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 5 - TOWNSHIP PENSION PLANS (Continued)**

The 'Additional administrative expenses' are the expenses in excess of the 'PMRS administrative expense' (i.e. \$20 per participant expense paid by each plan). The 'PMRS investment income' is based upon the regular and excess interest used to credit accounts annually. The 'Market value investment income' reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

The impact of investment gains or losses for expensing is recognized over a period of five years. The impact of experience gains or losses and assumption changes on the TPL are recognized in the collective pension expense over the average expected remaining service live of all active and inactive members of the Plan. There were experience gains or losses between the beginning of the year and end of year liabilities because the liabilities are based upon two different actuarial valuation dates. However, there were no assumption changes as of the Measurement Date.

Additional information regarding the calculation of pension expense, discount rates used, sensitivity of the net pension liability to changes in the discount rate, deferred outflows and deferred inflows, and the long-term expected rate of return on plan assets are also available in the PMRS GASB 68 Report.

**NOTE 6 – 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 original lease call for the monthly payment of \$217 for a period of sixty (60) months. However, over the lease period, the monthly payments slightly increased. Lease expense for the calendar year 2015 totaled \$2,723. As of December 31, 2015 there are 5 payments remaining under this lease obligation.

In April of 2014, the Township of Crescent entered into an agreement with G.E. Capital to lease a copier for the police department. The terms of the lease call for the monthly payment of \$75 for a period of sixty (60) months. In May of 2015, monthly payments increased to \$77 per month. Lease expense for the calendar year 2015 totaled \$916. As of December 31, 2015 there are 40 payments remaining under this lease obligation.

**NOTE 7 - COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

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

**TOWNSHIP OF CRESCENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 7 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**DELINQUENT REAL ESTATES TAXES (VOLUNTEER FIRE DEPARTMENT)**

In October of 2014, Crescent Township agreed to pay the Crescent Township Volunteer Fire Department their share of all delinquent real estate taxes not previously forwarded to the Volunteer Fire Department. The Township has calculated an approximate amount due the Volunteer Fire Department of \$16,000. The Township is scheduled to reimburse the Volunteer Fire Department for these delinquent real estate taxes over the next four calendar years commencing in calendar year 2015. The payment schedule is \$4,000 per year, \$2,000 to be paid during the 3<sup>rd</sup> and 4<sup>th</sup> quarter of each calendar year. As of December 31, 2015 the outstanding balance due the Crescent Township Volunteer Fire Department is \$12,000.

**STATE FUNDING**

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

**NOTE 8 – RISK MANAGEMENT**

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

**NOTE 9– SUBSEQUENT EVENTS**

In January of 2016, the Township of Crescent issued a Tax Anticipation Note from PNC Bank in the amount of \$250,000. The purpose of the loan is to cover general operating expenses until the 2016 real estate tax revenue is collected. The note is schedule to mature in December of 2016. The interest rate on the note is 1.62%.

Management has determined that there are no additional events subsequent to December 31, 2015 through the date of the 'Independent Audit Report', which is the date the financial statements were available to be issued, that require additional disclosure.

***SUPPLEMENTAL  
SCHEDULES***

**TOWNSHIP OF CRESCENT**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|                                       | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)</u><br><u>2014</u> |
|---------------------------------------|---------------------|---------------------|-----------------------------------------|
| <b><u>TAXES:</u></b>                  |                     |                     |                                         |
| Real estate tax - current             | \$ 703,476          | \$ 718,871          | \$ 717,257                              |
| Real estate tax - current fire        | 59,617              | 60,905              | 60,803                                  |
| Real estate tax - prior               | -                   | 7,268               | 3,171                                   |
| Real estate tax - liened              | 51,000              | 50,199              | 98,301                                  |
| Real estate transfer tax              | 17,000              | 37,527              | 25,592                                  |
| Earned income tax - current           | 245,000             | 285,105             | 301,407                                 |
| Earned income tax - del               | 13,900              | 11,914              | 23,619                                  |
| LST Collection                        | 12,600              | 14,782              | 13,595                                  |
| <b>TOTAL TAXES</b>                    | <b>\$ 1,102,593</b> | <b>\$ 1,186,572</b> | <b>\$ 1,243,746</b>                     |
| <b><u>LICENSES AND PERMITS:</u></b>   |                     |                     |                                         |
| Business Licenses and Permits - Other | \$ 4,600            | \$ 4,800            | \$ 4,650                                |
| Cable franchise fees                  | 54,100              | 55,539              | 54,614                                  |
| Street and curb permits               | 100                 | 600                 | -                                       |
| Solicitation Permit                   | 100                 | 40                  | 140                                     |
| <b>TOTAL LICENSES AND PERMITS</b>     | <b>\$ 58,900</b>    | <b>\$ 60,979</b>    | <b>\$ 59,404</b>                        |
| <b><u>FINES AND FORFEITURES:</u></b>  |                     |                     |                                         |
| Vehicle code violations               | \$ 11,000           | \$ 7,006            | \$ 13,805                               |
| State police fines                    | -                   | 1,375               | 1,394                                   |
| Ordinance Violations Current Yr       | 50                  | 40                  | -                                       |
| Ordinance Violations Liened           | 1,500               | 4,787               | 1,737                                   |
| <b>TOTAL FINES AND FORFEITURES</b>    | <b>\$ 12,550</b>    | <b>\$ 13,209</b>    | <b>\$ 16,936</b>                        |
| <b><u>INTEREST AND RENTS:</u></b>     |                     |                     |                                         |
| Interest                              | \$ 18               | \$ 58               | \$ 75                                   |
| Multi-purpose room rental             | 2,800               | 2,800               | 2,200                                   |
| Multi-purpose room rental deposit     | 1,400               | 1,300               | 1,100                                   |
| Shouse Park rentals (net)             | 2,800               | 3,950               | 1,925                                   |
| Shouse Park rental deposits           | 800                 | 750                 | 650                                     |
| <b>TOTAL INTEREST AND RENTS</b>       | <b>\$ 7,818</b>     | <b>\$ 8,858</b>     | <b>\$ 5,950</b>                         |
| <b><u>INTERGOVERNMENTAL:</u></b>      |                     |                     |                                         |
| Public utility realty tax             | \$ 1,400            | \$ 1,480            | \$ 1,437                                |
| Alcoholic beverage licenses           | 400                 | 400                 | 400                                     |
| Department of Justice Grant           | -                   | 955                 | 2,972                                   |
| Act 13 (UGWF)                         | -                   | 322                 | 172                                     |
| Pension state aid                     | 22,000              | 28,055              | 29,633                                  |
| Foreign fire insurance tax            | 14,000              | 14,425              | 14,161                                  |
| Regional sales tax allocation         | 62,000              | 75,524              | 69,236                                  |
| <b>TOTAL INTERGOVERNMENTAL</b>        | <b>\$ 99,800</b>    | <b>\$ 121,161</b>   | <b>\$ 118,010</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, 2015**

|                                        | <u>BUDGET</u>              | <u>ACTUAL</u>              | <u>(MEMORANDUM ONLY)</u><br><u>2014</u> |
|----------------------------------------|----------------------------|----------------------------|-----------------------------------------|
| <b><u>CHARGES FOR SERVICES:</u></b>    |                            |                            |                                         |
| Zoning and subdivision                 | \$ 1,100                   | \$ 2,122                   | \$ 1,620                                |
| Building permits                       | 6,000                      | 3,996                      | 3,542                                   |
| Use and occupancy permits              | 50                         | 104                        | 44                                      |
| Snow removal                           | 12,100                     | 17,223                     | 13,634                                  |
| Solid waste collection and disposal    | 158,000                    | 157,641                    | 171,702                                 |
| Portnoff delinquent garbage fees       | 20,000                     | 15,300                     | 22,652                                  |
| Misc receipts - reports, maps, etc.    | 1,500                      | 1,765                      | 6,059                                   |
| Lien letters                           | 600                        | 1,735                      | 780                                     |
| Recycling                              | -                          | -                          | 23                                      |
| Tax Coll. Software Reimburs            | 1,000                      | 1,562                      | 1,950                                   |
| Task Force RMS                         | 2,000                      | 2,503                      | 1,223                                   |
| Police reports                         | 450                        | 360                        | 525                                     |
| Parking Citations                      | 50                         | 60                         | 20                                      |
| <b>TOTAL CHARGES FOR SERVICES</b>      | <b><u>\$ 202,850</u></b>   | <b><u>\$ 204,372</u></b>   | <b><u>\$ 223,775</u></b>                |
| <b><u>OTHER FINANCIAL SOURCES:</u></b> |                            |                            |                                         |
| Transfer from Capital Reserve Fund     | \$ 18,500                  | \$ -                       | \$ -                                    |
| Tax anticipation loan                  | 250,000                    | 250,000                    | 300,000                                 |
| Sale of Truck                          | 1,000                      | 1,000                      | -                                       |
| Refund prior year expenses             | 19,515                     | 28,285                     | 25,683                                  |
| Cash Carryover                         | 84,000                     | -                          | -                                       |
| <b>TOTAL OTHER FINANCIAL SOURCES</b>   | <b><u>\$ 373,015</u></b>   | <b><u>\$ 279,285</u></b>   | <b><u>\$ 325,683</u></b>                |
| <b>TOTAL RECEIPTS</b>                  | <b><u>\$ 1,857,526</u></b> | <b><u>\$ 1,874,435</u></b> | <b><u>\$ 1,993,503</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, 2015**

|                                       | BUDGET            | ACTUAL            | (MEMORANDUM ONLY)<br>2014 |
|---------------------------------------|-------------------|-------------------|---------------------------|
| <b>GENERAL GOVERNMENT:</b>            |                   |                   |                           |
| <b>LEGISLATIVE BODY:</b>              |                   |                   |                           |
| Personal services                     | \$ 250            | \$ 263            | \$ 624                    |
| Commissioners                         | 7,500             | 7,500             | 6,750                     |
| FICA Expense                          | 475               | 574               | 516                       |
| Legal Notices                         | 4,500             | 4,666             | 6,151                     |
| Vehicle Mileage Reimbursement         | 100               | 147               | -                         |
| Association dues and expense          | 4,500             | 3,951             | 3,382                     |
| <b>TOTAL LEGISLATIVE BODY</b>         | <b>\$ 17,325</b>  | <b>\$ 17,101</b>  | <b>\$ 17,424</b>          |
| <b>EXECUTIVE:</b>                     |                   |                   |                           |
| Salary - secretary                    | \$ 51,200         | \$ 51,200         | \$ 41,813                 |
| Salary - assistant                    | 34,620            | 33,280            | 22,789                    |
| Payroll Services                      | 3,600             | 3,862             | 3,503                     |
| FICA Expenses                         | 6,700             | 6,463             | 3,951                     |
| Unemployment Compensation             | 1,980             | 2,459             | 1,762                     |
| Life/Health Insurance                 | 26,470            | 28,475            | 15,767                    |
| Workers Compensation Coverage         | 400               | 330               | 385                       |
| Non-Uniform Pension                   | 1,550             | -                 | 3,498                     |
| Office supplies                       | 1,500             | 1,587             | 1,769                     |
| Postage                               | 1,500             | 1,031             | 802                       |
| Vehicle Mileage Reimbursement         | 150               | 276               | 178                       |
| Cell phone                            | 840               | 385               | 420                       |
| Maintenance and repair                | 1,500             | 970               | 4,013                     |
| Association dues                      | 300               | 215               | 415                       |
| Misc                                  | 200               | -                 | 363                       |
| Copier Expenses                       | 2,900             | 2,947             | 2,770                     |
| Education expense                     | 500               | 977               | 539                       |
| <b>TOTAL EXECUTIVE:</b>               | <b>\$ 135,910</b> | <b>\$ 134,457</b> | <b>\$ 104,736</b>         |
| <b>FINANCIAL ADMINISTRATION:</b>      |                   |                   |                           |
| Realstats                             | \$ -              | \$ -              | \$ 800                    |
| Bank Service Charges                  | -                 | 298               | 9                         |
| Professional auditors                 | 3,500             | 3,600             | 3,500                     |
| <b>TOTAL FINANCIAL ADMINISTRATION</b> | <b>\$ 3,500</b>   | <b>\$ 3,898</b>   | <b>\$ 4,309</b>           |
| <b>TAX COLLECTION:</b>                |                   |                   |                           |
| Salary - treasurer and tax collector  | \$ 10,000         | \$ 10,000         | \$ 10,000                 |
| Delinquent property tax               | 2,500             | 2,904             | 2,192                     |
| FICA Expense                          | 1,200             | 982               | 933                       |
| Treasurer                             | 2,500             | 554               | 1,614                     |
| Software Expenses                     | 2,200             | 1,258             | 2,200                     |
| Computer maintenance                  | 500               | -                 | 300                       |
| Envelopes and Postage                 | 2,000             | 680               | 2,682                     |
| Liened property                       | 10,000            | 7,497             | 15,613                    |
| Association dues and expenses         | 500               | 370               | 250                       |
| <b>TOTAL TAX COLLECTION</b>           | <b>\$ 31,400</b>  | <b>\$ 24,243</b>  | <b>\$ 35,784</b>          |
| <b>LEGAL SERVICES:</b>                |                   |                   |                           |
| Solicitor monthly compensation        | \$ 40,000         | \$ 32,684         | \$ 38,403                 |
| Other legal fees                      | 7,800             | 6,401             | 1,588                     |
| <b>TOTAL LEGAL SERVICES</b>           | <b>\$ 47,800</b>  | <b>\$ 39,085</b>  | <b>\$ 39,991</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, 2015**

|                                              | BUDGET            | ACTUAL            | (MEMORANDUM ONLY)<br>2014 |
|----------------------------------------------|-------------------|-------------------|---------------------------|
| <b>ENGINEER:</b>                             |                   |                   |                           |
| Engineer/architect fees                      | \$ 19,800         | \$ 30,914         | \$ 31,858                 |
| <b>TOTAL ENGINEER</b>                        | <b>\$ 19,800</b>  | <b>\$ 30,914</b>  | <b>\$ 31,858</b>          |
| <b>GOVERNMENT BUILDING &amp; PLANT:</b>      |                   |                   |                           |
| Cleaning services                            | \$ 7,500          | \$ 6,220          | \$ 9,767                  |
| FICA Expense                                 | -                 | -                 | 613                       |
| Unemployment Coverage                        | -                 | -                 | 834                       |
| Multi-purpose room deposit fund              | 1,200             | 1,450             | 1,350                     |
| Supplies                                     | 2,000             | 2,544             | 2,463                     |
| Phones                                       | 4,000             | 3,959             | 3,989                     |
| Utilities                                    | 13,000            | 11,481            | 12,278                    |
| Capital Projects                             | 4,000             | 3,009             | 12,746                    |
| Building maintenance and repair              | 4,000             | 4,741             | 4,295                     |
| <b>TOTAL GOVERNMENT BUILDING &amp; PLANT</b> | <b>\$ 35,700</b>  | <b>\$ 33,405</b>  | <b>\$ 48,335</b>          |
| <b>TOTAL GENERAL GOVERNMENT</b>              | <b>\$ 291,435</b> | <b>\$ 283,103</b> | <b>\$ 282,436</b>         |
| <b>PUBLIC SAFETY:</b>                        |                   |                   |                           |
| <b>POLICE PROTECTION:</b>                    |                   |                   |                           |
| Salary - chief                               | \$ 62,593         | \$ 62,523         | \$ 60,709                 |
| Wages - patrolmen                            | 125,000           | 103,470           | 118,685                   |
| Wages - captain                              | 54,683            | 53,971            | 54,091                    |
| Wages - sergeants                            | 50,170            | 49,888            | 34,289                    |
| Task Force Wages                             | 2,793             | 3,567             | 2,805                     |
| Court Wages                                  | 6,500             | 3,762             | 8,511                     |
| FICA Expense                                 | 24,000            | 23,317            | 23,252                    |
| Unemployment Compensation                    | 11,000            | 11,744            | 11,433                    |
| Life/Health Insurance                        | 38,636            | 39,735            | 34,156                    |
| Workers Compensation Coverage                | 18,500            | 14,892            | 18,011                    |
| Uniform Employee Pension                     | 28,900            | 28,970            | 21,444                    |
| Longevity Pay                                | 2,106             | 2,097             | 2,017                     |
| Overtime                                     | 19,000            | 25,494            | 22,690                    |
| Uniform allowance                            | 5,100             | 5,367             | 5,434                     |
| Body Armor                                   | 3,000             | 3,841             | 1,195                     |
| Team Legal                                   | 1,100             | 1,151             | 876                       |
| Supplies                                     | 3,000             | 3,432             | 2,923                     |
| Equipment Maintenance                        | 350               | 851               | 1,061                     |
| Gasoline and oil                             | 12,000            | 6,349             | 12,590                    |
| Vehicle maintenance                          | 6,670             | 2,483             | 4,814                     |
| Vehicle Wireless Computer Fee                | 2,300             | 3,661             | 2,110                     |
| Pre-Employment Physicals                     | 1,000             | 840               | 505                       |
| Radio Service                                | 1,100             | 1,100             | 1,100                     |
| Cell phone                                   | 1,700             | 1,396             | 1,986                     |
| Radio equipment maintenance                  | 750               | 715               | 273                       |
| Purchase police radio                        | 750               | -                 | -                         |
| Auto Fleet Insurance-Police                  | 1,400             | 1,288             | 1,367                     |
| Computer maintenance                         | 3,912             | 3,876             | 3,736                     |
| Association dues and expenses                | 1,000             | 265               | 965                       |
| Education expense                            | 1,500             | 896               | 1,991                     |
| Police Copier Expense                        | 1,200             | 1,030             | 1,037                     |
| Moon - dispatch                              | 3,200             | 3,206             | 3,024                     |
| Civil Service Exams                          | 550               | -                 | -                         |
| Civil Service Expenses                       | -                 | 373               | -                         |
| Ammunition                                   | 1,500             | 1,285             | 1,426                     |
| Capital purchases                            | 3,500             | 2,553             | 4,992                     |
| <b>TOTAL POLICE PROTECTION</b>               | <b>\$ 500,463</b> | <b>\$ 469,390</b> | <b>\$ 465,499</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, 2015**

|                                      | BUDGET            | ACTUAL            | (MEMORANDUM ONLY)<br>2014 |
|--------------------------------------|-------------------|-------------------|---------------------------|
| <b><u>FIRE PROTECTION:</u></b>       |                   |                   |                           |
| Workers Compensation                 | \$ 12,300         | \$ 12,047         | \$ 12,854                 |
| Auto Fleet Insurance                 | 13,800            | 13,299            | 13,294                    |
| Fire hydrant rental                  | 8,500             | 8,500             | 8,500                     |
| Association Dues                     | 500               | 500               | -                         |
| Foreign fire insurance               | 14,000            | 14,425            | 14,161                    |
| <b>TOTAL FIRE PROTECTION</b>         | <b>\$ 49,100</b>  | <b>\$ 48,771</b>  | <b>\$ 48,809</b>          |
| <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>EMERGENCY MANAGEMENT:</u></b>  |                   |                   |                           |
| Emergency Management Expenses        | \$ 500            | \$ 35             | \$ 408                    |
| <b>TOTAL EMERGENCY MANAGEMENT</b>    | <b>\$ 500</b>     | <b>\$ 35</b>      | <b>\$ 408</b>             |
| <b><u>PLANNING AND ZONING:</u></b>   |                   |                   |                           |
| Building inspector wages             | \$ 6,000          | \$ 5,618          | \$ 3,974                  |
| Planning and zoning expenses         | 750               | 4,171             | 1,004                     |
| <b>TOTAL PLANNING AND ZONING</b>     | <b>\$ 6,750</b>   | <b>\$ 9,789</b>   | <b>\$ 4,978</b>           |
| <b>TOTAL PUBLIC SAFETY</b>           | <b>\$ 557,413</b> | <b>\$ 528,584</b> | <b>\$ 520,295</b>         |
| <b><u>PUBLIC WORKS:</u></b>          |                   |                   |                           |
| <b><u>SANITATION:</u></b>            |                   |                   |                           |
| Contracted services                  | \$ 153,000        | \$ 152,960        | \$ 161,308                |
| Billing service                      | 3,500             | 3,485             | 3,529                     |
| Portnoff Assoc. delinquent collector | 5,200             | 2,905             | 4,604                     |
| <b>TOTAL SANITATION</b>              | <b>\$ 161,700</b> | <b>\$ 159,351</b> | <b>\$ 169,441</b>         |
| <b><u>HIGHWAYS:</u></b>              |                   |                   |                           |
| Public Works Supervisor Wages        | \$ 48,500         | \$ 47,918         | \$ 11,559                 |
| Road wages                           | 91,300            | 71,498            | 86,760                    |
| FICA Expense                         | 14,500            | 9,341             | 7,879                     |
| Unemployment Compensation            | 3,000             | 3,839             | 2,322                     |
| Life/Health Insurance                | 39,800            | 33,695            | 27,259                    |
| Workers Comp Coverage                | 14,000            | 9,976             | 11,517                    |
| Non Uniform Pension                  | 1,000             | 20                | 4,730                     |
| Overtime                             | 6,000             | 2,684             | 4,672                     |
| Uniform allowance                    | 1,425             | 1,395             | 1,435                     |
| Materials and supplies               | 5,500             | 4,186             | 4,570                     |
| Vehicle fuel                         | 9,500             | 4,774             | 8,257                     |
| Highway materials                    | 64,000            | 64,200            | 44,914                    |
| Equipment Rental/Purchase            | 2,000             | 2,699             | 1,324                     |
| Equipment Repair                     | 2,000             | 2,036             | 2,178                     |
| Vehicle repair and maintenance       | 9,000             | 4,777             | 8,079                     |
| Tires                                | 2,000             | 1,402             | 644                       |
| Public Works Vehicle Purchase        | 30,430            | 21,826            | 23,136                    |
| CDL testing expenses                 | 400               | 488               | 271                       |
| Pre-Employment Physicals             | 200               | 510               | 747                       |
| Cell phone                           | 1,300             | 1,177             | 858                       |
| PA One Call Charges                  | 200               | 228               | 168                       |
| Auto Fleet Insurance                 | 3,415             | 4,013             | 3,415                     |
| Computer Maintenance                 | 250               | 314               | -                         |
| Association Dues and Expenses        | 100               | -                 | -                         |
| Education/training                   | 300               | -                 | -                         |
| Capital construction-roads           | 100,000           | 118,257           | 70,858                    |
| Sign Management                      | 500               | 533               | 556                       |
| MS-4 Expenses                        | 5,000             | 7,271             | 5,504                     |
| Capital purchases                    | 3,500             | 5,364             | -                         |
| <b>TOTAL HIGHWAYS</b>                | <b>\$ 459,120</b> | <b>\$ 424,422</b> | <b>\$ 333,614</b>         |
| <b>TOTAL PUBLIC WORKS</b>            | <b>\$ 620,820</b> | <b>\$ 583,773</b> | <b>\$ 503,055</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, 2015**

|                                                     | BUDGET              | ACTUAL              | (MEMORANDUM ONLY)<br>2014 |
|-----------------------------------------------------|---------------------|---------------------|---------------------------|
| <b><u>CULTURE AND RECREATION:</u></b>               |                     |                     |                           |
| <b><u>RECREATION:</u></b>                           |                     |                     |                           |
| Materials and supplies                              | \$ 3,000            | \$ 5,940            | \$ 3,608                  |
| Recreation Board                                    | 4,000               | 3,907               | 3,584                     |
| Professional services                               | 2,000               | 2,145               | 16,250                    |
| Grass maintenance                                   | 10,000              | 10,200              | 10,250                    |
| Utilities                                           | 2,000               | 3,630               | 1,841                     |
| Shouse Park Deposit Refund                          | 800                 | 700                 | 750                       |
| Parks Board                                         | 4,000               | 4,000               | 4,000                     |
| Civic Club donation                                 | 1,000               | 1,000               | 1,000                     |
| <b>TOTAL RECREATION</b>                             | <b>\$ 26,800</b>    | <b>\$ 31,522</b>    | <b>\$ 41,283</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>\$ 27,800</b>    | <b>\$ 32,522</b>    | <b>\$ 42,283</b>          |
| <b><u>DEBT SERVICE:</u></b>                         |                     |                     |                           |
| DCED Loan Police                                    | \$ -                | \$ -                | \$ 5,571                  |
| TAN Interest                                        | 2,000               | 1,755               | 2,160                     |
| TAN Principal                                       | 250,000             | 250,000             | 300,000                   |
| <b>TOTAL DEBT SERVICE</b>                           | <b>\$ 252,000</b>   | <b>\$ 251,755</b>   | <b>\$ 307,731</b>         |
| <b><u>MISCELLANEOUS:</u></b>                        |                     |                     |                           |
| Intergovernmental                                   | \$ 3,700            | \$ 4,162            | \$ 2,823                  |
| Package insurance                                   | 14,500              | 14,586              | 14,264                    |
| Public official insurance                           | 2,000               | -                   | 3,000                     |
| Police professional insurance                       | 4,500               | -                   | 9,074                     |
| Bonds                                               | 4,500               | 2,168               | 7,056                     |
| <b>TOTAL MISCELLANEOUS</b>                          | <b>\$ 29,200</b>    | <b>\$ 20,916</b>    | <b>\$ 36,217</b>          |
| <b><u>OTHER FINANCING USES:</u></b>                 |                     |                     |                           |
| Transfer to Firemens Referendum                     | \$ 62,986           | \$ 70,091           | \$ 65,066                 |
| Transfer to Public Works Vehicle Fund               | -                   | 18,961              | 17,539                    |
| Transfer to Police Vehicle Fund                     | 14,000              | 14,000              | 13,000                    |
| Refund prior year revenues                          | 922                 | 2,523               | 6,396                     |
| Refund property taxes                               | 950                 | 3,427               | 5,577                     |
| <b>TOTAL OTHER FINANCING USES</b>                   | <b>\$ 78,858</b>    | <b>\$ 109,002</b>   | <b>\$ 107,578</b>         |
| <b>TOTAL DISBURSEMENTS AND OTHER FINANCING USES</b> | <b>\$ 1,857,526</b> | <b>\$ 1,809,655</b> | <b>\$ 1,799,594</b>       |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT  
COMBINING BALANCE SHEET (CASH BASIS)  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

|                                                | <u>HIGHWAY<br/>AID FUND</u> | <u>FIRE<br/>DEPARTMENT<br/>FUND</u> | <u>PUBLIC<br/>WORKS<br/>VEHICLE FUND</u> | <u>POLICE VEHICLE<br/>FUND</u> | <u>MCCUTCHEON<br/>WAY SLIDE<br/>REPAIR FUND</u> | <u>TOTAL</u>             |
|------------------------------------------------|-----------------------------|-------------------------------------|------------------------------------------|--------------------------------|-------------------------------------------------|--------------------------|
| <b>ASSETS:</b>                                 |                             |                                     |                                          |                                |                                                 |                          |
| Cash and Cash Equivalents                      | \$ -                        | \$ -                                | \$ -                                     | \$ 1,238                       | \$ 5,708                                        | \$ 6,946                 |
| Investments                                    | 57,183                      | 67,709                              | -                                        | -                              | -                                               | 124,892                  |
| <b>TOTAL ASSETS</b>                            | <b><u>\$ 57,183</u></b>     | <b><u>\$ 67,709</u></b>             | <b><u>\$ -</u></b>                       | <b><u>\$ 1,238</u></b>         | <b><u>\$ 5,708</u></b>                          | <b><u>\$ 131,838</u></b> |
| <br><b>LIABILITIES AND FUND BALANCE:</b>       |                             |                                     |                                          |                                |                                                 |                          |
| <b>LIABILITIES:</b>                            |                             |                                     |                                          |                                |                                                 |                          |
| Due to Other Funds                             | \$ -                        | \$ -                                | \$ -                                     | \$ -                           | \$ -                                            | \$ -                     |
| <b>TOTAL LIABILITIES</b>                       | <b><u>\$ -</u></b>          | <b><u>\$ -</u></b>                  | <b><u>\$ -</u></b>                       | <b><u>\$ -</u></b>             | <b><u>\$ -</u></b>                              | <b><u>\$ -</u></b>       |
| <br><b>FUND BALANCES:</b>                      |                             |                                     |                                          |                                |                                                 |                          |
| Restricted                                     | \$ 57,183                   | \$ 67,709                           | \$ -                                     | \$ -                           | \$ -                                            | \$ 124,892               |
| Assigned                                       | -                           | -                                   | -                                        | 1,238                          | 5,708                                           | 6,946                    |
| <b>TOTAL FUND BALANCES</b>                     | <b><u>\$ 57,183</u></b>     | <b><u>\$ 67,709</u></b>             | <b><u>\$ -</u></b>                       | <b><u>\$ 1,238</u></b>         | <b><u>\$ 5,708</u></b>                          | <b><u>\$ 131,838</u></b> |
| <br><b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b><u>\$ 57,183</u></b>     | <b><u>\$ 67,709</u></b>             | <b><u>\$ -</u></b>                       | <b><u>\$ 1,238</u></b>         | <b><u>\$ 5,708</u></b>                          | <b><u>\$ 131,838</u></b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF CRESCENT**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

|                                                       | <u>HIGHWAY AID<br/>FUND</u> | <u>FIRE<br/>DEPARTMENT<br/>FUND</u> | <u>PUBLIC<br/>WORKS<br/>VEHICLE FUND</u> | <u>POLICE<br/>VEHICLE<br/>FUND</u> | <u>MCCUTCHEON<br/>WAY SLIDE<br/>REPAIR FUND</u> | <u>TOTAL</u>      |
|-------------------------------------------------------|-----------------------------|-------------------------------------|------------------------------------------|------------------------------------|-------------------------------------------------|-------------------|
| <b>RECEIPTS:</b>                                      |                             |                                     |                                          |                                    |                                                 |                   |
| Liquid Fuels Allocation                               | \$ 66,260                   | \$ -                                | \$ -                                     | \$ -                               | \$ -                                            | \$ 66,260         |
| Fines and Forfeitures                                 | -                           | -                                   | -                                        | 185                                | -                                               | 185               |
| Interest                                              | 21                          | 22                                  | -                                        | -                                  | -                                               | 43                |
| <b>TOTAL REVENUES</b>                                 | <b>\$ 66,281</b>            | <b>\$ 22</b>                        | <b>\$ -</b>                              | <b>\$ 185</b>                      | <b>\$ -</b>                                     | <b>\$ 66,488</b>  |
| <b>OTHER FINANCING SOURCES:</b>                       |                             |                                     |                                          |                                    |                                                 |                   |
| Interfund Transfer                                    | \$ -                        | \$ 70,091                           | \$ 18,961                                | \$ 14,000                          | \$ -                                            | \$ 103,052        |
| <b>TOTAL OTHER FINANCING USES</b>                     | <b>\$ -</b>                 | <b>\$ 70,091</b>                    | <b>\$ 18,961</b>                         | <b>\$ 14,000</b>                   | <b>\$ -</b>                                     | <b>\$ 103,052</b> |
| <b>TOTAL RECEIPTS AND OTHER<br/>FINANCING SOURCES</b> | <b>\$ 66,281</b>            | <b>\$ 70,113</b>                    | <b>\$ 18,961</b>                         | <b>\$ 14,185</b>                   | <b>\$ -</b>                                     | <b>\$ 169,540</b> |
| <b>DISBURSEMENTS:</b>                                 |                             |                                     |                                          |                                    |                                                 |                   |
| Public Safety - Fire                                  | \$ -                        | \$ 48,528                           | \$ -                                     | \$ -                               | \$ -                                            | \$ 48,528         |
| Public Safety - Police                                | -                           | -                                   | -                                        | 34,446                             | -                                               | 34,446            |
| Public Works                                          | 42,541                      | -                                   | 36,500                                   | -                                  | 3,562                                           | 82,603            |
| <b>TOTAL DISBURSEMENTS</b>                            | <b>\$ 42,541</b>            | <b>\$ 48,528</b>                    | <b>\$ 36,500</b>                         | <b>\$ 34,446</b>                   | <b>\$ 3,562</b>                                 | <b>\$ 165,577</b> |
| NET CHANGE IN FUND BALANCES                           | \$ 23,740                   | \$ 21,585                           | \$ (17,539)                              | \$ (20,261)                        | \$ (3,562)                                      | \$ 3,963          |
| FUND BALANCE - January 1, 2015                        | 33,443                      | 46,124                              | 17,539                                   | 21,499                             | 9,270                                           | 127,875           |
| <b>FUND BALANCE - December 31, 2015</b>               | <b>\$ 57,183</b>            | <b>\$ 67,709</b>                    | <b>\$ -</b>                              | <b>\$ 1,238</b>                    | <b>\$ 5,708</b>                                 | <b>\$ 131,838</b> |

The accompanying notes are an integral part of these financial statements

***OTHER SUPPLEMENTARY  
INFORMATION***

**CRESCENT TOWNSHIP**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MEASUREMENT YEAR ENDING DECEMBER 31, 2014**

|                                                                           | <b>POLICE<br/>PENSION<br/>PLAN</b> | <b>NON-UNIFORM<br/>PENSION<br/>PLAN</b> |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------|
| <b>Total Pension Liability-Beginning</b>                                  | \$ 996,830                         | \$ 482,039                              |
| Service Cost                                                              | 33,526                             | 21,777                                  |
| Interest (Includes Interest on Service Cost)                              | 55,842                             | 26,980                                  |
| Changes of Benefit Terms                                                  | -                                  | -                                       |
| Differences Between Expected and Actual Experience                        | 33,286                             | 86,441                                  |
| Changes of Assumptions                                                    | -                                  | -                                       |
| Transfers                                                                 | -                                  | -                                       |
| Benefit payments, including Refunds of Members Contributions              | (30,502)                           | (24,761)                                |
| Net Change in Total Pension Liability                                     | <u>\$ 92,152</u>                   | <u>\$ 110,437</u>                       |
| <br>Total Pension Liability-Ending                                        | <br><u>\$ 1,088,982</u>            | <br><u>\$ 592,476</u>                   |
| <br>Plan Fiduciary Net Position-Beginning                                 | <br>\$ 1,014,852                   | <br>\$ 627,502                          |
| Contributions-employer                                                    | 21,995                             | 8,446                                   |
| Contributions-member                                                      | -                                  | 2,100                                   |
| PMRS Investment Income                                                    | 55,889                             | 34,162                                  |
| Market Value Investment Income                                            | 14,462                             | 20,389                                  |
| Transfers                                                                 | -                                  | -                                       |
| Benefit payments, including Refunds of Members Contributions              | (30,502)                           | (24,761)                                |
| PMRS Administrative Expense                                               | (100)                              | (220)                                   |
| Additional Administrative Expense                                         | (2,143)                            | (1,310)                                 |
| Change in Plan Fiduciary Net Position                                     | <u>\$ 59,601</u>                   | <u>\$ 38,806</u>                        |
| <br>Plan Fiduciary Net Position-Ending                                    | <br><u>\$ 1,074,453</u>            | <br><u>\$ 666,308</u>                   |
| <br>Net Pension Liability-Ending                                          | <br><u>\$ 14,529</u>               | <br><u>\$ (73,832)</u>                  |
| <br><b>RATIOS:</b>                                                        |                                    |                                         |
| Plan Fiduciary Net Position as a<br>Percentage of Total Pension Liability | 98.67%                             | 112.46%                                 |
| <br>Covered-employee Payroll                                              | <br>\$ 182,324                     | <br>\$ 216,949                          |
| <br>Net Pension Liability as a Percentage<br>of Covered-employee Payroll  | <br>7.97%                          | <br>-34.03%                             |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for calendar year 2014 only.

**CRESCENT TOWNSHIP**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS**  
**DECEMBER 31, 2014**

|                                                              | <b>POLICE<br/>PENSION<br/>PLAN</b> | <b>NON-UNIFORM<br/>PENSION<br/>PLAN</b> |
|--------------------------------------------------------------|------------------------------------|-----------------------------------------|
| Actuarially Determined Contribution                          | \$ 16,677                          | \$ 3,421                                |
| Contributions                                                | 21,995                             | 8,446                                   |
| Contribution Deficiency (Excess)                             | \$ (5,318)                         | \$ (5,025)                              |
| <br><b>RATIOS:</b>                                           |                                    |                                         |
| Covered-employee Payroll                                     | \$ 182,324                         | \$ 216,949                              |
| Contributions as a Percentage of<br>Covered-employee Payroll | 12.06%                             | 3.89%                                   |

**NOTES TO SCHEDULE:**

Valuation Date - January 1, 2011

**Methods and Assumptions used to Determine Contribution Rates:**

- Actuarial cost method: Entry Age
- Amortization method: Level Dollar Based upon Act 205 Amortization Periods
- Asset valuation method: Based upon the Municipal Reserves
- Discount Rate: 5.5%
- Inflation: 3%
- Salary increases: Age Related Scale with Merit and Inflation Component
- COLA Increases: 3% for those Eligible for a COLA
- Pre-Retirement Mortality Rates: Males-RP 2000 with 1 Year Set Back,  
Females-RP 2000 with 5 Year Set Back
- Post-Retirement Mortality Rates: Sex Distinct RP 2000 Combined Healthy Mortality

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for calendar year 2014 only.