

Board of Commissioners
Ross Township

The Comprehensive Annual Financial Report of Ross Township, Pennsylvania, for the year ended December 31, 2002, is hereby submitted. The enclosed data in this report is accurately presented in all material respects, and is presented in a manner designed to fairly set forth the financial position and results of the operations of the Township. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including disclosures in the Notes to Financial Statements, rest with the Township. All disclosures necessary to enable the reader to gain the maximum understanding of the financial affairs of the Township have been included.

The purpose of this report is to provide The Board of Commissioners, Township residents or any other interested party with a concise, accurate and fair depiction of the financial operations of the Township.

REPORT PRESENTATION

This report contains three sections:

- Introductory:** includes this transmittal letter and an organization chart.
- Financial:** includes the Auditor's Opinion; General Purpose Financial Statements with Notes; Supplementary Schedules with Notes; and Combining Fund Financial Statements.
- Statistical:** includes pertinent financial, economic and general information designed to provide the reader with a historical look at the financial and demographic data of the Township.

THE REPORTING ENTITY AND ITS SERVICES

Ross Township is a First Class Township located in Allegheny County, directly north of and immediately adjacent to the City of Pittsburgh. Encompassing an area of 14.7 square miles, Ross Township is primarily a residential suburb of Pittsburgh, an area that encompasses a region rich with cultural, artistic and educational diversity. Following the rapid growth experienced during the two previous decades, Ross Township's population remained fairly constant between the years of 1970 and 2000 with the present population, according to the 2000 U.S. Census, of 32,551 people. This is a decrease in population of 2.8% for the years 1990 through 2000 versus a decrease of 4.67% in the decade between 1980 and 1990.

Ross Township was incorporated in 1922. Government is by a nine member Board of Commissioners elected by ward. Each commissioner is elected for a term of four years and receives an annual \$5,000 salary. The Board of Commissioners reorganizes once every two years and elects a president and vice president. The Board is vested with a broad range of

policy-making powers. To assist the Board in formulation of policy, a variety of Boards and Committees have been established. These boards and committees include:

- Planning Commission
- Zoning Hearing Board
- Fire Appeals Board
- Civil Service Commission
- NEWCOM Board
- Finance/Budget Committee
- Public Safety/Fire/FirePolice/EMS Committee
- Recreation/Community Enhancement Committee
- Library Board
- Public Works & Sanitation
- Administration
- Lowries Run Joint Owned Sewer
- Girty's Run Joint Sewer Authority

The Township has no component units.

The Board has the responsibility for all township legislative matters. Its functions include the enactment of ordinances and the adoption of resolutions, and recording the same; adopting the annual budget; setting salaries, fees, and schedules; and, levying taxes. Day-to-day administration is the responsibility of the Township Manager. The Manager is appointed by the Board of Commissioners for an indefinite period. The Manager, in turn, recommends the appointment of all department heads to the Board of Commissioners.

The Township provides the following services to the community:

- Police protection
- Financial and administrative support for the eight volunteer fire companies
- Financial support for a volunteer fire police unit
- Maintenance of approximately 102 miles of township roads
- Maintenance of sanitary and storm sewer lines
- Maintenance of 28 parks and parklets
- Library services as a joint endeavor with four other communities
- Planning and zoning including building inspection and code enforcement
- Recreational Services
- Senior Citizen Services

A treasurer is elected for a four-year term. Her responsibility is that of collection of real estate taxes. The tax office of the North Hills School District collects the earned income tax and other taxes permitted by the Local Tax Enabling Act.

ECONOMIC CONDITION

Ross Township is served by an extensive network of highways with U.S. Route 19, Interstate 279, McKnight Road and Babcock Boulevard providing easy access to downtown Pittsburgh, and to the North-South Interstate Route 79 extending from Morgantown, West Virginia north through the Pittsburgh area to Erie, Pennsylvania. The Township is approximately seven miles from the Pennsylvania Turnpike (I-76) which provides uninterrupted linkage to the states of Ohio and New Jersey. Transit service is provided by the Port Authority of Allegheny County.

Located in the Township are numerous restaurants, one regional shopping center, two major shopping centers, several smaller shopping centers, and numerous individual businesses. The commercial establishments serve a major portion of the population of Allegheny County. Recreational facilities include a number of parks including the latest development, which includes a full size baseball field with viewing stands, a concession building, a basketball court, a playground, walking trails and picnic areas.

The North Hills Passavant Hospital, located just outside the Township, provides medical services. The hospital is a short term, acute care, general medical-surgical hospital with 272 acute-care beds and 24 long-term care beds. They maintain a professional staff of 505 with 1,381 total employment. Allegheny General Hospital, a major medical center, is located on the north side of the city of Pittsburgh less than 5 miles from Ross Township. It has 778 beds and employs over 5,200 people.

Ross Township, along with the Borough of West View, comprises the North Hills School District. The district had an enrollment of 4,874 students for the school year 2001 through 2002.

MAJOR INITIATIVES AND OUTLOOK

The highlight of 2002 was the move of the Administration Offices and the Police Department of Ross Township to its new municipal center. This new building was constructed on a 27-acre plot of land, located off of McKnight Road, one of the main arteries of the township. The building is a combination Municipal Building/Public Safety Building with an attached 16,000 square foot community center. The surrounding land has been developed into an outdoor recreational facility. It includes a 300+ seat baseball field where many local baseball teams including the North Hills High School Varsity team are scheduling their games. A large playground, picnic facilities, and a hard surface multi-use court are available for use for all residents of Ross Township. To date, over \$8 million dollars has been spent on this center for land purchase, site preparation, infrastructure and construction. Of that amount, \$2.2 million dollars was received in the form of state grant funds and a \$6 million dollar General Obligation Bond was issued in 2000. In the current year the Township refunded the 2000 General Obligation Bonds and issued the 2002 General Obligation Bond in the amount of \$6,245,000. This provided lower interest rates for the entire issue and also made available an economic gain of approximately \$90,000. The estimated cost for the completion of the

entire project is estimated to be \$9 million dollars. It is anticipated that the principal and debt service for this issue plus additional costs of construction will be repaid through current revenue sources.

The new Municipal Building includes all Administrative Offices, Commissioners' Meeting Room, Police Department; Building and Planning Offices; and Tax Collector/Treasurer's Office.

The Community Center includes a regulation-size gymnasium that can provide facilities for basketball, volleyball, aerobic exercise plus many other indoor athletic activities. This area can also be converted for use as an auditorium with a stage for performances or a large meeting area. Additionally, a commercial kitchen has been installed adjacent to this multi-purpose room. This will provide preparation facilities for banquets up to 400 people.

Two classrooms are available for instructional use, arts and crafts, and small group meetings. A quiet lounge is available for reading, meeting with friends and adult card playing. An active lounge, a sort of 21st century 'coffee house' is available for small group activities including presentations and organized activities. Additionally, a game room for activities such as Ping-Pong, billiards and board games plus a television viewing area are designed for 'under 21' use.

Over the past ten years, the Township has experienced a period of consistent residential and commercial growth. A significant program has been initiated in the community that has shown significant signs of improving the quality of the community. The township has adopted a road pavement management program, which will project paving expenditures on a 15-year cycle. This will enable management to forecast costs over an extended period of time. The goal is to be able to anticipate an annual amount for improvements while continuing an aggressive, structured, infrastructure replacement agenda. Over the last three years, the Township has expended an average of almost \$1,620,000 per year for road paving. With the road-paving program in place, the annual cost for road paving in 2002 was budgeted at \$1,200,000 and a similar amount is forecasted for 2003. In succeeding years, an amount between \$1,200,000 to \$1,500,000 is anticipated to be budgeted each year resulting in improved roads by using a rating system that will keep all roads at a reasonably consistent level of improvement over the entire township.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The accounts of the Township are organized as either funds or account groups. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. An account group is a self-balancing group of accounts to record for general long-term debt or the general fixed assets of a government.

Governmental Funds

General Fund – The General Fund is the primary operating fund of the Township. It is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific taxes, or other designated sources of revenue. They are primarily restricted to expenditures for specific purposes. In Ross Township, the four individual Special Revenue Funds utilized are:

1. Liquid Fuels Fund
2. McKnight Road Traffic Fund
3. Sewer Fund
4. Recreation Fund

Capital Projects Fund – The Capital Projects Fund accounts for the funds provided by the issuance of the 2002 General Obligation Bond. The proceeds were used for the construction of the Township Municipal Center. Construction began in July, 2001 and was completed in August, 2002.

Debt Service Fund – The Debt Service Fund is used to account for accumulation of resources and payment of general long-term debt principal and interest.

Pension Trust Funds – The Pension Trust Funds are used to account for assets held by the Township in a trustee capacity for future payment of retirement benefits to employees or former employees.

Agency Fund – An Agency Fund is used to account for assets held by the Township in a trustee capacity.

Governmental Account Groups

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to account for all fixed assets of the Township.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to account for all long-term liabilities of the Township which are to be paid by governmental fund types. At December 31, 2002, this account group consisted of \$257,505 in accumulated compensated absences, \$480,968 in long-term debt that represented the Township's pro rata debt obligation for a joint venture (NEWCOM), and \$5,950,000 in General Obligation Bonds used to construct the new municipal center.

General Fund

Revenues and expenditures associated with general governmental functions are accounted for in the General Fund. As of December 31, 2002, the General Fund had a total fund balance of \$3,732,809.

Fund Balance, December 31, 2001		\$	3,668,932
2002 Operations			
Revenues	\$	10,882,019	
Expenditures		(11,449,109)	
Sale of Fixed Assets		390,000	
Interfund Transfers		240,967	
			63,877
Fund Balance, December 31, 2002		\$	<u>3,732,809</u>

Revenues

In 2002, revenues totaled \$10,882,019, an increase of 1.97% from 2001. Revenues from various sources and the comparisons of 2002 to 2001 are shown in the following table:

Revenues	2002	% of Total	2001	% of Total	Increase (Decrease) 2002/2001	% Increase/ (Decrease)
Taxes						
Real Estate	3,966,174	36.45	3,740,406	35.05	225,768	6.04
Earned Income	3,319,824	30.51	3,297,975	30.90	21,849	0.66
Other	1,697,851	15.60	1,626,118	15.24	71,733	4.41
Total Taxes	<u>8,983,849</u>	<u>82.56</u>	<u>8,664,499</u>	<u>81.19</u>	<u>319,350</u>	<u>3.69</u>
Licenses & permits	419,366	3.85	459,339	4.30	(39,973)	(8.70)
Fines & forfeitures	167,274	1.54	158,281	1.48	8,993	5.68
Interest	162,717	1.50	238,665	2.24	(75,948)	(31.82)
Intergovernmental	448,368	4.12	445,326	4.17	3,042	0.68
Charges for Services	436,808	4.01	322,206	3.02	114,602	35.57
Miscellaneous	<u>263,637</u>	<u>2.42</u>	<u>383,834</u>	<u>3.60</u>	<u>(120,197)</u>	<u>(31.31)</u>
Total Revenues	<u>10,882,019</u>	<u>100.00</u>	<u>10,672,150</u>	<u>100.00</u>	<u>209,869</u>	<u>1.97</u>

Tax revenues for 2002, which accounted for 82.56% of total revenue, increased 3.69% from 2001. Historically, the assessed value of a real estate property was a percentage of market value. Beginning in 2001, all properties in Allegheny County were reassessed and the assessed value was increased to 100% of the market value. A new millage rate was established for Ross Township to collect no more than 100% of taxes collected in 2000. This rate was set at 2.0541 mills. Many property owners appealed their assessment and, as a result, their assessment was lowered in 2001 and they received a refund. In 2002, properties were again reassessed and net taxes collected were \$52,991 more than the 2000 collections. The amount of collections in 2002 was only an increase of 1.35% over the 2000 amount collected.

Earned Income Taxes only increased .66% in 2002 over 2001. This slight increase after a decrease of 1.22% in 2001 has left the collection of earned income taxes fairly stable over the last 3 years. No increase is anticipated over the next year. This can be attributed to the slow down in the economy. The major revenue from *other taxes* is from *real estate transfer taxes, mercantile taxes, occupational privilege taxes, mechanical device taxes, admission taxes, and business privilege taxes*. The revenue from these *other taxes* followed the same pattern as the Earned Income Taxes. After a decrease of 1.22% in 2001, there was an increase of 4.41% in the current year. This also is only a slight increase over the 2000 collections and also can partially be attributed to the slow down in the economy.

The decrease in *interest* of 31.82% was due to falling interest rates over the last several years.

Miscellaneous revenues decreased by 31.31% due primarily to recycling grants being received in 2001 and none being received in 2002.

Expenditures

In 2002, expenditures totaled \$11,449,109, an increase of 2.56% from 2001. Expenditures from various sources and the comparisons of 2002 to 2001 are shown in the following table:

<u>Expenditures</u>	<u>2002</u>	<u>% of Total</u>	<u>2001</u>	<u>% of Total</u>	<u>Increase (Decrease) 2002/2001</u>	<u>% Increase/ (Decrease)</u>
General Government	1,180,990	10.32	1,057,676	9.47	123,314	11.66
Public Safety	4,873,444	42.57	4,480,152	40.13	393,292	8.78
Public Works	2,531,225	22.11	2,397,854	21.48	133,371	5.56
Recreation & Parks	586,684	5.12	331,554	2.97	255,130	76.95
Library Contribution	412,723	3.60	416,962	3.74	(4,239)	(1.02)
Senior Citizen Services	75,574	0.66	61,308	0.55	14,266	23.27
Miscellaneous	16,793	0.15	16,247	0.15	546	3.36
Capital Outlay	1,634,169	14.27	2,181,245	19.54	(547,076)	(25.08)
Debt Service	137,507	1.20	220,227	1.97	(82,720)	(37.56)
Total	11,449,109	100.00	11,163,225	100.00	285,884	2.56

Expenditures for *recreation & parks* increased in 2002 due to the opening of the Ross Township Municipal Center. This was the second phase of the development of the new municipal center for Ross Township. The center became fully operational in September of 2002. Expenses increased due to the hiring of staff to supervise the operation of the center and initiation of exercise classes, children's programs and many other special activities.

The *Senior Citizen Services* cost increase was due primarily to a new contract signed in 2002 increasing monthly cost for the operation of bus service for seniors provided by the township.

The decrease in *Capital Outlay* can be attributed to less expensive projects being undertaken in 2002 versus 2001. The decrease in *Debt Service* can be attributed to the advance refunding of the Series 2000 General Obligation Bonds. Accrued interest was applied to the

semi-annual interest payment on the bonds plus with the refunding interest rates were lowered.

Special Revenue Funds

Four individual funds are accounted for as Special Revenue Funds. The Liquid Fuels Fund, the McKnight Road Traffic Fund, the Sewer Fund, and the Recreation Fund are reported as required.

The *Liquid Fuels Fund* accounts for the allocation of Liquid Fuel Taxes collected by the Commonwealth. Ross Township received an allocation of \$518,105 in 2002, a decrease of \$10,326 from 2001. This money was invested until the end of 2002 and earned interest income of \$9,682, a decrease of \$3,495 from 2001. By law, the funds must be used for highway related expenditures. In 2001, these funds were used for electricity for streetlights, snow and ice removal, traffic signals, storm sewers and repair of tools and machinery.

The *McKnight Road Traffic Fund* accounts for costs incurred for road improvements on McKnight Road. In 2002, expenditures of \$86,178 were incurred with revenue totaling \$91,344. Revenue was received through donations and from state reimbursement of cost incurred for this ongoing project.

The *Sewer Fund* was established in 1992 in an effort to more closely monitor the financial performance of the sewer operations of the Township. Sewer fees generated in 2002 totaled \$4,704,418. Of this, \$3,035,601 was paid to the Allegheny County Sanitary Authority (ALCOSAN) for sewage treatment.

In addition, \$786,506 was paid to Girty's Run Joint Sewer Authority for user's fees. Girty's Run Joint Sewer Authority operates the Girty's Run sewer shed, one of five sewer sheds within Ross Township and the only one that is separately administrated. Sewers in Girty's Run are owned and operated by the Girty's Run Joint Sewer Authority and contain approximately 50% of the sewer customers in the Township. The four remaining sewer sheds are all owned and operated directly by Ross Township.

The remaining expenditures were for the collection of fees and for the ongoing operation, maintenance and repair of the sewer system of the Township.

A comparison of revenues and expenditures in the *Sewer Fund* for 2002 and 2001 are shown in the following table:

		%		%	Increase (Decrease)	% Increase/ (Decrease)
<u>Revenues</u>	<u>2002</u>	<u>of Total</u>	<u>2001</u>	<u>of Total</u>	<u>2002/2001</u>	<u>(Decrease)</u>
Interest	40,009	0.84	115,829	3.17	(75,820)	(65.46)
Charges for Services	4,704,418	99.13	3,541,250	96.82	1,163,168	32.85
Miscellaneous	1,448	0.03	321	0.01	1,127	351.09
Total	4,745,875	100.00	3,657,400	100.00	1,088,475	29.76
		%		%	(Decrease)	Increase/ (Decrease)
<u>Expenditures</u>	<u>2002</u>	<u>of Total</u>	<u>2001</u>	<u>of Total</u>	<u>2002/2001</u>	<u>(Decrease)</u>
General Government	68,403	1.69	122,043	3.11	(53,640)	(43.95)
Sanitation	3,985,452	98.31	3,804,957	96.86	180,495	4.74
Capital Outlay	-	-	1,285	0.03	(1,285)	(100.00)
Total	4,053,855	100.00	3,928,285	100.00	125,570	3.20

The decrease in *interest* earnings in 2002 over 2001 was due to the decrease in the investment rates that occurred over the last several years. In 2002, charges for services increased 32.85% due to recognizing revenue as available when related accounts payable are recognized and increased collection efforts of delinquent accounts.

An interfund transfer of \$200,000 is paid each year to the General Fund to reimburse that fund for services performed by various personnel including administration and maintenance and repair of the sanitary sewer system.

As of December 31, 2002, total fund balance in the sewer fund was \$1,056,411. This money will be used for infrastructure repairs to sewer lines that are anticipated to be incurred in the next several years.

The *Recreation Fund* is used to account for grants and special monies that are used for recreation and park development.

Pension Trust Funds

Ross Township administers two pension plans using the services of the Trust Department of PNCBank. One is for the general employees and the other is for police officers. Mockenhaupt Associates, Inc conducts an actuarial study for each plan biannually. The financial statements, notes and required supplemental information disclose the pension activity for 2002.

During 2002, both plans together generated aggregate investment loss of \$3,677,719. This loss is attributed to the net depreciation in fair value of pension fund investments. Both plans together paid benefits, investment expense and administrative expenses of \$837,915. No contributions were required in either municipal pension plan.

As of December 31, 2002, the aggregate market value of pension trust assets equaled \$24,914,885.

Internal Controls

In developing and evaluating the Township's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition, and
2. The reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and, the evaluation of costs and benefits requires the development of estimates and exercise of judgements by management.

All internal control evaluations occur within the above framework. It is believed that the internal accountings controls of the Township adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Basis of Accounting

On January 1, 1998, Ross Township converted its accounting system to conform to U.S. Generally Accepted Accounting Principles (GAAP) and subsequently implemented the financial reporting guidelines as prescribed by the Governmental Accounting Standards Board. (GASB). All accounting records are maintained according to U.S. generally accepted accounting procedures which include the use of the modified accrual basis of accounting for all governmental and agency funds. Under this basis, expenditures are recorded when liabilities are incurred; and revenues are recorded when they become measurable and available to finance expenditures of the current period. With GAAP accounting, the administration is able to provide elected officials, management, auditors and the general public with an accurate tool to analyze and monitor the revenues and expenditures of the Township. This also enables the Township to better budget and forecast trends affecting the finances of the Township, providing a basis for short and long term economic policy decisions.

Budgetary Process

By December 31 of each year, the Township Board of Commissioners must adopt a General Fund Budget for the next fiscal year. Legal budgetary control is maintained at the department level. Department heads, in consultation with the Township Manager, may transfer funds within departments. The Board of Commissioners by ordinance must authorize all transfers between departments. The departments are shown in the financial statements. In addition, budgetary control is maintained by encumbering the total dollar

value obligated via the purchase order system prior to the release of an expenditure to a vendor. The term encumbrance as employed in governmental accounting means that a restriction is placed on the budget allowance in order to control expenditures. Expenditure requests that will result in an overrun of available appropriation balances at the various levels of control are not authorized until sufficient appropriations are available. Open encumbrances are reported as a reservation of fund balance. There were no encumbrances as of December 31, 2002.

FINANCIAL MANAGEMENT

Debt Administration

The ratio of the net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Township's debt position to municipal management, citizens and investors. This data for the Township, at the end of the 2002 fiscal year, was as follows:

	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$ 5,950,000	0.31%	\$ 183

Within the statistical section of this report, more detailed information about the debt position of the Township is given.

Cash Management

It is the township's policy to invest idle funds in money market accounts and fixed-term investments with a maturity of up to one year. All investments are made in accordance with the investment policy adopted by the Ross Township Board of Commissioners which requires that all investments must strictly adhere to the instruments as stipulated in the Commonwealth of Pennsylvania First Class Township Code. This policy was written to maximize investment earnings while maintaining security. Money market and fixed-term investments are placed in the Pennsylvania Local Government Investment Trust (PLGIT), the Commonwealth INVEST Program, or other funds that invest in US Treasury Obligations and other approved investments only. Deposits at local financial institutions must be Federal Deposit Insurance Corporation (FDIC) insured.

In 2002, investment earnings totaled \$262,317 for all governmental fund types. This represents a decrease of \$335,894 as compared to 2001. Most of this decrease can be attributed to the fact that the additional interest earned from the investment of the \$6,000,000 bond funds in 2001 no longer exists. This money was spent for the construction of the new municipal building. This generated \$224,434 in interest during 2001. The remainder of the decrease can be attributed to the declining interest rates.

Risk Management

The Township uses third-party insurance coverage for general liability, automobile, public officials, police liability, malpractice and workers' compensation. The Township, along with other municipal government units, has joined the Municipal Risk Management Worker's Compensation Pooled Trust (MRM) and the Municipal Employers Insurance Trust (MEIT) to provide worker's compensation coverage and health insurance coverage, respectively. MRM is a public entity risk pool and MEIT is a cooperative purchase of insurance, both of which operate common risk management and insurance programs for their members. The Township carries commercial insurance for all other risks of loss.

Independent Audit

An independent audit of the books of account, financial records, and transactions of all administrative departments of the Township is performed each year by an independent certified public accounting firm selected by the Board of Commissioners.

Maher Duessel was retained to complete the independent audit for the period ending December 31, 2002. The auditor's unqualified opinion for the year ended December 31, 2002, is included in this report.

ECONOMIC OUTLOOK

Ross Township is a mature community in a suburban environment with two major retail corridors, providing the township with high quality consumer selection and a stable tax base. As indicated in the demographic tables included in this statement, the residents of Ross Township tend to be college educated with a higher than average income level as compared to the rest of Allegheny County. The 2000 Census lists unemployment in Ross Township at 1.9%, lower than the region and nation as a whole. While new construction is generally on the decline, it is due primarily to the fact that the Township is by and large "built out" both in the commercial and residential areas. However, occupancy levels in both areas continue to be over 95%.

Ross Township continues to improve its functions and objectives. In addition to the aforementioned newly adopted accounting procedures, the Township has updated its comprehensive plan and the zoning and development ordinances of the Township are currently under review.

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ross Township for its Comprehensive Annual Financial Report for the Year ended December 31, 2001. In order to be awarded a Certificate of Achievement for Excellence, the Township must publish an easily readable and efficiently organized Comprehensive Annual Financial

Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement for Excellence Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The completion of this report was made possible through the efforts and cooperation of the Township Manager and the Finance Department staff. In addition, the accounting firm of Maher Duessel played an instrumental role in the preparation of this report. Appreciation is also extended to the elected officials of Ross Township for their continued cooperation and interest in the financial operations of the Township.

Respectfully submitted,

Virginia B. Finnegan, CPA
Finance Director

June 24, 2003
Ross Township, PA