

MAIDENCREEK TOWNSHIP

DECEMBER 31, 2017

DCED-CLGS-30 (9-09)

Received by DCED:
Approved by DCED:

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Ph: 888-223-6837 | fax: 717-783-1402

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

061085 MAIDENCREEK TWP, BERKS COUNTY

Kosmerl & Company P.C.

A Professional Corporation

Certified Public Accountants

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Reading, PA

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ENROLLED TO PRACTICE BEFORE
U.S. TREASURY DEPARTMENT
PA DEPT. OF REVENUE

MEMBERS
PA INSTITUTE OF CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Maidencreek Township

We have audited the accompanying Commonwealth of Pennsylvania Audit and Financial Report (Form DCED-CLGS-30) of Maidencreek Township, Berks County, Pennsylvania, as of and for the year ended December 31, 2017, which collectively comprises the financial statements as shown in the DCED prescribed form.

Management's Responsibility for the DCED-CLGS-30 (Financial Statements)

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The Township's policy is to prepare the Form DCED-CLGS-30 on the cash basis of accounting. Consequently revenues and the related assets are recognized when received rather than when earned and expenditures or expenses are recognized when paid rather than when a liability is incurred. Management is responsible for determining that the cash basis of accounting is an acceptable basis for the preparation of the Form DCED-CLGS-30 in the circumstances. Management is also responsible for 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described above, the financial statements are prepared by Maidencreek Township on the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The effects on the financial statements of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Maidencreek Township, as of December 31, 2017, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the General Fixed Assets Account Group which should be included to comply with the requirements of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on Regulatory Basis of Accounting, the financial statements referred to in the first paragraph present fairly, in all material respects the assets, liabilities and fund equity of Maidencreek Township as of December 31, 2017, and its revenue collected and expenditures, or expenses paid for the year then ended, on the basis of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Kosmerl & Company, P.C.

KOSMERL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



BALANCE SHEET

DCED-CLGS-30 (09-08)

MAIDENCREEK TWP, BERKS County
BALANCE SHEET
 December 31, 2017

		Governmental Funds		Proprietary Funds	Fid. Fund	Account Groups	Total
Assets and Other Debits							
100-120	Cash and Investments	815,966	220,231		75,406		1,111,603
140-144	Tax Receivable						
121-129, 145-149	Accounts Receivable (excluding taxes)						
130.00	Due From Other Funds						
131-139, 150-159	Other Current Assets	2,453					2,453
160-169	Fixed Assets						
180-199	Other Debits						
Total Assets and Other Debits		818,419	220,231		75,406	131,213	1,245,269

Liabilities and Other Credits							
210-229	Payroll Taxes and Other Payroll Withholdings						
200-209, 231-239	All Other Current Liabilities				75,406		75,406
230.00	Due To Other Funds						

MAIDENCREEK TWP, BERKS County
BALANCE SHEET
 December 31, 2017

	Governmental Funds	Proprietary Funds	Fid. Fund	Account Groups	Total
Liabilities and Other Credits					
260-269 Long-Term-Liabilities				78,787	78,787
240-259 Current Portion of Long-Term Debt and Other Credits				52,426	52,426
Total Liabilities			75,406	131,213	206,619
Fund and Account Group Equity					
281-284 Contributed Capital					
290.00 Investment in General / Fixed Assets					
270-289 Fund Balance / Retained Earnings on 12/31	818,419				1,038,650
291-299 Other Equity					
Total Fund and Account Group Equity	818,419				1,038,650

TOTAL LIABILITIES AND FUND EQUITY					1,245,269
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MAIDEN CREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total

REVENUES

Taxes								
301.00	Real Estate Taxes	650,170	188,881					839,051
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	287,694						287,694
310.20	Earned Income Taxes / Wage Taxes	1,314,230						1,314,230
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	164,035						164,035
310.60	Amusement / Admission Taxes	10,625						10,625
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
		2,426,754	188,881					2,615,635

Licenses and Permits

320-322	All Other Licenses and Permits	62,671						62,671
321.80	Cable Television Franchise Fees	98,100						98,100
		160,771						160,771

Fines and Forfeits

330-332	Fines and Forfeits	30,556						30,556
		30,556						30,556

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total

REVENUES

Interest, Rents and Royalties				
341.00	Interest Earnings	6,283	1,866	7,849
342.00	Rents and Royalties	40,165	1,260	41,425
	Total Interest, Rents and Royalties	46,448	2,826	49,274

Federal				
351.03	Highways and Streets			
351.09	Community Development			
351.00	All Other Federal Capital and Operating Grants			
352.01	National Forest			
352.00	All Other Federal Shared Revenue and Entitlements			
353.00	Federal Payments in Lieu of Taxes			
	Total Federal			

State				
354.03	Highways and Streets			
354.09	Community Development			
354.15	Recycling / Act 101	13,741		13,741
354.00	All Other State Capital and Operating Grants			
355.01	Public Utility Realty Tax (PURTA)	2,563		2,563
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		307,951	307,951
355.04	Alcoholic Beverage Licenses	1,050		1,050
355.05	General Municipal Pension System State Aid			
355.07	Foreign Fire Insurance Tax Distribution	54,378		54,378
355.08	Local Share Assessment/Gaming Proceeds			
355.09	Marcellus Shale Impact Fee Distribution			

**MAIDEN CREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2017

Governmental Funds	Proprietary Funds	Fiduciary Fund	Total

REVENUES

State			
355.00	All Other State Shared Revenues and Entitlements		
356.00	State Payments in Lieu of Taxes	71,732	307,951
			379,683

Local Government Units

357.03	Highways and Streets		
357.00	All Other Local Governmental Units Capital and Operating Grants		
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services		
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes		
	Total Local Governmental Units		

Charges for Service

361.00	General Government	1,164	1,164
362.00	Public Safety	94	94
363.20	Parking		
363.00	All Other Charges for Highway & Street Services		
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)		
364.30	Solid Waste Collection and Disposal Charge (trash)		
364.60	Host Municipality Benefit Fee for Solid Waste Facility		
364.00	All Other Charges for Sanitation Services		
365.00	Health		
366.00	Human Services		
367.00	Culture and Recreation	2,419	2,419
368.00	Airports		

MAIDENCREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
Community Center	Public Safety	Public Safety Agency	Public Safety Agency

REVENUES

Charges for Service							
369.00	Bars						
370.00	Cemeteries						
372.00	Electric System						
373.00	Gas System						
374.00	Housing System						
375.00	Markets						
377.00	Transit Systems						
378.00	Water System						
379.00	All Other Charges for Service						
	Total Charges for Service	1,258	2,419				3,677

Unclassified Operating Revenues							
383.00	Special Assessments						
386.00	Escheats (sale of personal property)						
387.00	Contributions and Donations from Private Sectors	725	130				855
388.00	Fiduciary Fund Pension Contributions						
389.00	All Other Unclassified Operating Revenues						
	Total Unclassified Operating Revenues	725	130				855

Other Financing Sources							
391.00	Proceeds of General Fixed Asset Disposition						
392.00	Interfund Operating Transfers						
393.00	Proceeds of General Long-Term Debt						
394.00	Proceeds of Short Term-Debt						

**MAIDEN CREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2017

Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
General Fund	Enterprise Fund	Investment Agency	Memoandum Only

REVENUES

Other Financing Sources	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
395.00 Refunds of Prior Year Expenditures	47,500			47,500
Total Other Financing Sources	47,500			47,500

TOTAL REVENUES	2,785,744	502,207		3,287,951
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EXPENDITURES

General Government	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
400.00 Legislative (Governing) Body	54,535			54,535
401.00 Executive (Manager or Mayor)	75,725			75,725
402.00 Auditing Services / Financial Administration	4,880			4,880
403.00 Tax Collection	7,529			7,529
404.00 Solicitor / Legal Services	11,339			11,339
405.00 Secretary / Clerk	52,219			52,219
406.00 Other General Government Administration	201	82		283
407.00 IT-Networking Services-Data Processing				
408.00 Engineering Services	90,803			90,803
409.00 General Government Buildings and Plant	52,311			52,311
Total General Government	349,542	82		349,624

Public Safety

410.00 Police	1,171,039			1,171,039
411.00 Fire	54,378	38,158		92,536
412.00 Ambulance / Rescue				
413.00 UCC and Code Enforcement	78,403			78,403

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total

EXPENDITURES

Public Safety				
414.00	Planning and Zoning	3,920		3,920
415.00	Emergency Management and Communications	16,391		16,391
416.00	Militia and Armories			
417.00	Examination of Licensed Occupations			
418.00	Public Scales (weights and measures)			
419.00	Other Public Safety			
	Total Public Safety	1,324,131	38,158	1,362,289

Health and Human Services				
420.00-	Health and Human Services	1,000		1,000
425.00				
	Total Health and Human Services	1,000		1,000

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	97,102		97,102
427.00	Solid Waste Collection and Disposal (garbage)	2,750		2,750
428.00	Weed Control			
429.00	Wastewater / Sewage Treatment and Collection			
	Total Public Works - Sanitation	99,852		99,852

Public Works - Highways and Streets				
430.00	General Services - Administration	43,135		43,135
431.00	Cleaning of Streets and Gutters		4,400	4,400
432.00	Winter Maintenance - Snow Removal	185	16,357	16,542
433.00	Traffic Control Devices	11,121		11,121
434.00	Street Lighting	101,251		101,251

MAIDEN CREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

	Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
Governmental Funds				
Proprietary Funds				
Fiduciary Fund				
Total				

EXPENDITURES

Public Works - Highways and Streets								
435.00 Sidewalks and Crosswalks								
436.00 Storm Sewers and Drains	12,283		22,847					35,130
437.00 Repairs of Tools and Machinery	55,425							55,425
438.00 Maintenance and Repairs of Roads and Bridges	284,707							284,707
439.00 Highway Construction and Rebuilding Projects			360,953					360,953
Total Public Works - Highways and Streets	508,107		404,557					912,664

Other Public Works Enterprises								
440.00 Airports								
441.00 Cemeteries								
442.00 Electric System								
443.00 Gas System								
444.00 Markets								
445.00 Parking								
446.00 Storm Water and Flood Control								
447.00 Transit System								
448.00 Water System								
449.00 Water Transport and Terminals								
Total Other Public Works Enterprises								

Culture and Recreation								
451.00 Culture-Recreation Administration								
452.00 Participant Recreation								
453.00 Spectator Recreation								
454.00 Parks	43,638		24,067					67,705

MAIDEN CREEK TWP, BERKS COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

Governmental Funds		Proprietary Funds	Fiduciary Fund	Total
Total				Maiden Creek Township, Ohio

EXPENDITURES

Employer Paid Benefits and Withholding Items		Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
484.00	Worker Compensation Insurance	23,116			23,116
487.00	Other Group Insurance Benefits				
Total Employer Paid Benefits and Withholding Items		79,654			79,654

Insurance		Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
486.00	Insurance, Casualty, and Surety	170,170			170,170
Total Insurance		170,170			170,170

Unclassified Operating Expenditures		Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
488.00	Fiduciary Fund Benefits and Refunds Paid				
489.00	All Other Unclassified Expenditures				
Total Unclassified Operating Expenditures					

Other Financing Uses		Governmental Funds	Proprietary Funds	Fiduciary Fund	Total
491.00	Refund of Prior Year Revenues				
492.00	Interfund Operating Transfers				
493.00	All Other Financing Uses				
Total Other Financing Uses					

TOTAL EXPENDITURES		2,628,502	484,833		3,113,335
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EXCESS/DIFFICULTY OF REVENUES OVER EXPENDITURES		157,242	17,374		174,616
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MAIDENCREEK TWP

December 31, 2017

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES
 Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Susquehanna Commercial Finance	Capital Leases	2013	2018	120,535	51,330		25,116		26,214		25,214
Susquehanna Commercial Finance	Capital Leases	2014	2019	79,250	49,552		15,822		33,730		33,730
County Radio	Note	2014	2017	62,182	15,546		15,546		0		0
Revenue Bonds and Notes											
Lease Rental Debt											
Other											
Commonwealth of PA/PA Emergency	Note	2014	2024	100,000	80,782		9,513		71,269		71,269

Total bonds and notes outstanding

131,213

Capitalized lease obligations

0

Net debt

131,213

(1) - excludes unamortized premium/discount

MAIDENCREEK TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Categories	Capital Expenditures	Balance
Community Development		
Electric		
Fire		
Gas System		
General Government		
Health		
Housing		
Libraries		
Mass Transit		
Parks		
Police		
Recreation		
Sewer		
Solid Waste		
Streets / Highways	360,953	360,953
Water		
Other: _____		
TOTAL CAPITAL EXPENDITURES	360,953	360,953

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 432,122

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.



Signed: Kosmerl & Co., P.C. Appointed Auditor/CPA

December 31, 2017

NOTES / COMMENTS

Maidencreek Township enacted on September 11, 2014 - Ordinance 234 - An ordinance incurring nonelectoral debt by the Blandon Community Ambulance Association to provide funds toward refunding a portion of debt previously incurred for the purchase of two 2014 Braun XL Chevy G4500 Ambulances. This ordinance was adopted in conjunction with a written reimbursement agreement between the Township and Blandon Community Ambulance Association. The Township guarantees the debt and the Ambulance Association is responsible for the payment of the debt.