



Annual Audit and Financial Report

City of: _____, _____ County

Borough of: _____, _____ County

Township of: Maidencreek, Berks County

Municipality of: _____, _____ County

for the year 2002



Return to:
PA Department of Community and Economic Development
Governor's Center for Local Government Services
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, Pennsylvania 17120-0225

Commonwealth of Pennsylvania
Mark S. Schweiker, Governor

PA Dept. of Community & Economic Development
Samuel A. McCullough, Secretary
www.inventpa.com





CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 and 2
FINANCIAL STATEMENTS	
Balance sheet	3
Statement of revenues and expenditures	4-9
Notes to financial statements	10-19
Schedule of funding progress	20
SUPPLEMENTARY INFORMATION	
Debt statement	21
Statement of capital expenditures	22
Combining balance sheet - Special Revenue Funds	23
Combining statement of revenues and expenditures - Special Revenue Funds	24-29

INDEPENDENT AUDITOR'S REPORT

**To the Board of Supervisors
Maidencreek Township
Berks County, Pennsylvania**

We have audited the accompanying primary government financial statements of Maidencreek Township, Berks County, Pennsylvania, as of and for the year ended December 31, 2002, as listed in the table of contents. These primary government financial statements are the responsibility of Maidencreek Township's management. Our responsibility is to express an opinion on these primary government 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Maidencreek Township prepares its primary government financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the cash balances of Maidencreek Township as of December 31, 2002, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

However, the primary government financial statements, because they do not include the financial data of the component unit of Maidencreek Township, do not purport to, and do not, present fairly the cash balances of Maidencreek Township as of December 31, 2002, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

The required supplementary information on Page 20 is not a required part of the basic primary government financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government financial statements of Maidencreek Township. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

Reinsel & Company LLP

February 28, 2003

Balance Sheet December 31st, 2002

Assets and Other Debits		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120	Cash and Investments	\$ 191,166	\$ 59,431	\$ -	\$ -
140-144	Tax Receivable	-	-	-	-
121-147	Account Receivable (excluding taxes)	-	-	-	-
148-159	Other Current Assets	-	-	-	-
160-169	Fixed Assets	-	-	-	-
180-199	Other Debits	-	-	-	-
Total Assets and Other Debits		\$ 191,166	\$ 59,431	\$ -	\$ -

Liabilities and Other Credits					
210-229	Payroll Taxes and Other Payroll Withholdings	\$ -	\$ -	\$ -	\$ -
200-259	All Other Current Liabilities	-	-	-	-
260-269	Long Term Liabilities	-	-	-	-
269.99	Other Credits	-	-	-	-
Total Liabilities		\$ -	\$ -	\$ -	\$ -

Fund and Account Group Equity					
281-284	Contributed Capital	\$ -	\$ -	\$ -	\$ -
290	Investments in General Fixed Assets	-	-	-	-
271-289	Fund Balance / Retained Earnings 12/31	191,166	59,431	-	-
Total Fund and Account Group Equity		\$ 191,166	\$ 59,431	\$ -	\$ -

Proprietary Funds		Fiduciary Funds	Account Groups		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>General Fixed Assets</i>	<i>Gen. Long Term Debt</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ 337,472	\$ -	\$ -	\$ 588,069
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ 337,472	\$ -	\$ -	\$ 588,069

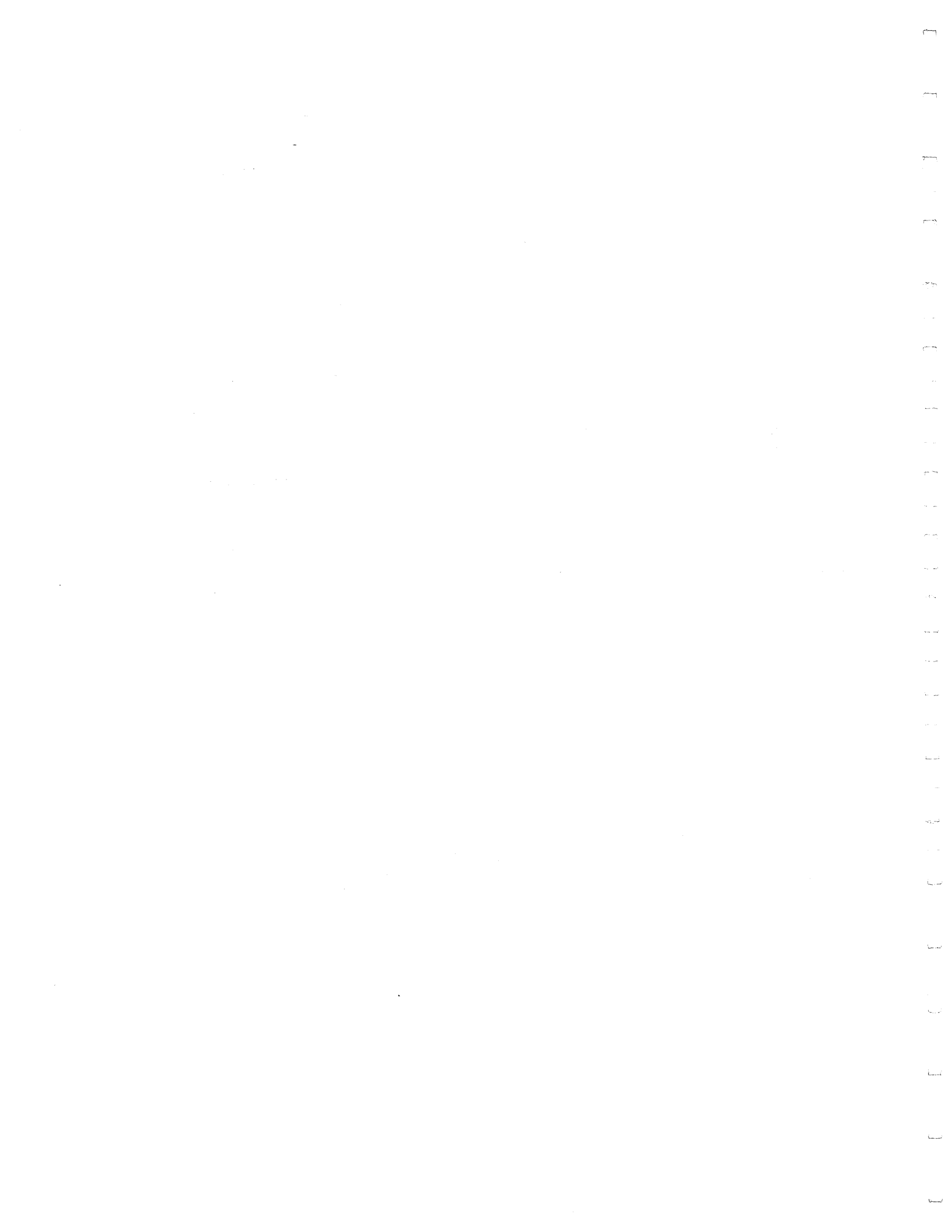
TOTAL ASSETS	\$ 588,069
---------------------	------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL LIABILITIES	\$ -
--------------------------	------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	337,472	-	-	588,069
\$ -	\$ -	\$ 337,472	\$ -	\$ -	\$ 588,069

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 588,069
--	------------



Proprietary Funds		Fiduciary Fund Type		Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only	
\$ -	\$ -	\$ -	\$ -	438,845
-	-	-	-	-
-	-	-	-	-
-	-	-	-	23,423
-	-	-	-	198,127
-	-	-	-	744,812
-	-	-	-	-
-	-	-	-	-
-	-	-	-	16,673
-	-	-	-	11,860
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	1,433,740

\$ -	\$ -	\$ -	\$ -	38,901
-	-	-	-	24,857
\$ -	\$ -	\$ -	\$ -	63,758

\$ -	\$ -	\$ -	\$ -	39,128
------	------	------	------	--------

\$ -	\$ -	\$ 5,842	\$ -	13,443
-	-	-	-	14,950
\$ -	\$ -	\$ 5,842	\$ -	28,393

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Statement of Revenues and Expenditures December 31st, 2002

Intergovernmental Revenues		Governmental Funds			
Federal		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
351.03	Highways and Streets	\$ -	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-	-
351.99	All Other Federal Grants	-	-	-	-
352.08	National Forest Products	-	-	-	-
352.99	All Other Federal Shared Revenue and Entitlements	-	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-	-
Total Federal		\$ -	\$ -	\$ -	\$ -

State					
354.03	Highway and Streets	\$ -	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-	-
355.01	Public Utility Realty Tax	2,091	-	-	-
355.02	Motor Vehicle Fuel Tax	-	138,803	-	-
355.06	General Municipal Pension System State Aid	42,229	-	-	-
355.08	Alcoholic Beverage Taxes/Beverage Licenses	-	-	-	-
355.09	Recycling / Act 101	-	-	-	-
355.99	All Other Shared Revenues and Entitlements	43,029	-	-	-
356.00	State Payment in Lieu of Taxes	-	-	-	-
Total State		\$ 87,349	\$ 138,803	\$ -	\$ -

Local Governmental Units					
357.03	Highways and Streets	\$ -	\$ -	\$ -	\$ -
357.99	All Other Local Governmental Unit Grants	13,400	-	-	-
359.00	Local Governmental Unit Payments in Lieu of Taxes	-	-	-	-
Total Local Government Units		\$ 13,400	\$ -	\$ -	\$ -

Charges for Service					
361.00	General Government	\$ 398	\$ -	\$ -	\$ -
362.00	Public Safety	-	-	-	-
363.20	Parking/Parking Meters, Permits	-	-	-	-
363.99	All Other Charges for Highway & Streets Services	-	-	-	-
364.10	Wastewater/Sewage	-	-	-	-
364.30	Solid Waste Collection/Trash	-	-	-	-
364.60	Host Municipality Fee for Solid Waste Facility	-	-	-	-
364.99	Other Charges for Sanitation Services	-	-	-	-
365.00	Health	-	-	-	-
367.00	Culture and Recreation	-	-	-	-
378.00	Water System	-	-	-	-
379.00	Other Charges for Services	8,200	-	-	-
Total Charges for Services		\$ 8,598	\$ -	\$ -	\$ -

Proprietary Funds		Fiduciary Fund Type		Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only	
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	2,091
-	-	-	-	138,803
-	-	-	-	42,229
-	-	-	-	-
-	-	-	-	-
-	-	-	-	43,029
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	226,152

\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	13,400
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	13,400

TOTAL INTERGOVERNMENTAL REVENUES	\$	239,552
---	----	---------

\$ -	\$ -	\$ -	\$	398
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	8,200
\$ -	\$ -	\$ -	\$	8,598

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

Statement of Revenues and Expenditures December 31st, 2002

Miscellaneous Revenues		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
383.00	Special Assessments	\$ -	\$ -	\$ -	\$ -
387.00	Contributions and Donations from Private Sectors	-	201	-	-
389.00	All Other Miscellaneous Revenues	-	-	-	-
Total Miscellaneous Revenues		\$ -	\$ 201	\$ -	\$ -

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Distribution	\$ 1,200	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	47,599	60,320	-	-
393.00	Proceeds of General Long Term Debt	-	-	-	-
394.00	Proceeds of Tax and Revenue Anticipation Notes	-	-	-	-
395.00	Refunds of Prior Year Expenditures	9,059	-	-	-
Total Other Financing Sources		\$ 57,858	\$ 60,320	\$ -	\$ -

TOTAL REVENUES	\$ 1,551,986	\$ 373,720	\$ -	\$ -
-----------------------	--------------	------------	------	------

EXPENDITURES					
General Government					
400.00	Legislative/Governing Body	\$ -	\$ -	\$ -	\$ -
401.00	Executive/Manager or Mayor	-	-	-	-
402.00	Auditing Services/Bookkeeping Services	-	-	-	-
403.00	Tax Collection	1,000	-	-	-
404.00	Solicitor/Legal Services	27,283	1,501	-	-
405.00	Secretary/Clerk	77,113	-	-	-
406.00	Other General Government Administration	80,010	-	-	-
408.00	Engineering Services	58,919	28,158	-	-
409.00	General Government Buildings and Plant	28,204	-	-	-
Total General Government		\$ 272,529	\$ 29,659	\$ -	\$ -

Proprietary Funds		Fiduciary Fund Type		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>	
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	121,069	-	121,270
-	-	-	-	-
\$ -	\$ -	\$ 121,069	\$ -	\$ 121,270

\$ -	\$ -	\$ -	\$ 1,200
-	-	-	107,919
-	-	-	-
-	-	-	-
-	-	-	9,059
\$ -	\$ -	\$ -	\$ 118,178

\$ -	\$ -	\$ 126,911	\$ 2,052,617
------	------	------------	--------------

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	1,000
-	-	-	28,784
-	-	-	77,113
-	-	-	80,010
-	-	-	87,077
-	-	-	28,204
\$ -	\$ -	\$ -	\$ 302,188

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Statement of Revenues and Expenditures December 31st, 2002

		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Public Safety					
410.00	Police	\$ 536,736	\$ -	\$ -	\$ -
411.00	Fire	72,771	-	-	-
412.00	Ambulance/Rescue	35,877	-	-	-
413.00	Protective Inspection	27,085	-	-	-
414.00	Planning and Zoning	40,702	-	-	-
415.00	Emergency Management	-	-	-	-
419.00	Other Public Safety	6,958	-	-	-
Total Public Safety		\$ 720,129	\$ -	\$ -	\$ -

Health and Human Services					
420.00	Health and Human Services	\$ -	\$ -	\$ -	\$ -

Public Works - Sanitation					
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal	-	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	-	-	-	-
Total Public Works - Sanitation		\$ -	\$ -	\$ -	\$ -

Public Works - Highways and Streets					
430.00	General Services	\$ 289,901	\$ -	\$ -	\$ -
431.00	Cleaning of Streets	-	-	-	-
432.00	Winter Maintenance	-	-	-	-
433.00	Traffic Control Devices	2,736	-	-	-
434.00	Street Lighting	53,641	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-	-
436.00	Storm Sewers and Drains	-	-	-	-
437.00	Repairs of Tools and Machinery	-	-	-	-
438.00	Road and Bridge Maintenance	5,814	99,726	-	-
439.00	Construction and Rebuilding Projects	-	-	-	-
Total Public Works - Highways and Streets		\$ 352,092	\$ 99,726	\$ -	\$ -

Proprietary Funds		Fiduciary Fund Type		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>		<i>Memorandum Only</i>
\$ -	\$ -	\$ -		\$ 536,736
-	-	-		72,771
-	-	-		35,877
-	-	-		27,085
-	-	-		40,702
-	-	-		-
-	-	49,234		56,192
\$ -	\$ -	\$ 49,234		\$ 769,363

\$ -	\$ -	\$ -	\$ -
------	------	------	------

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ 289,901
-	-	-	-
-	-	-	-
-	-	-	2,736
-	-	-	53,641
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	105,540
-	-	-	-
\$ -	\$ -	\$ -	\$ 451,818



Statement of Revenues and Expenditures December 31st, 2002

Other Public Works Enterprises		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
440.00	Airports	\$ -	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-	-
442.00	Electric System	-	-	-	-
443.00	Gas System	-	-	-	-
444.00	Markets	-	-	-	-
445.00	Parking Facilities	-	-	-	-
446.00	Storm Water and Flood Control	-	-	-	-
447.00	Transit System	-	-	-	-
448.00	Water System	-	-	-	-
449.00	Water Transport and Terminals	-	-	-	-
	Other Public Works and Enterprises	7,910	-	-	-
Total Other Public Works Enterprises		\$ 7,910	\$ -	\$ -	\$ -

Culture and Recreation					
451.00	Recreation	\$ 579	\$ 226,216	\$ -	\$ -
454.00	Parks	-	-	-	-
455.00	Shade Trees	-	-	-	-
456.00	Libraries	-	-	-	-
458.00	Senior Citizen Centers	-	-	-	-
459.00	Other Culture and Recreation	-	-	-	-
Total Culture and Recreation		\$ 579	\$ 226,216	\$ -	\$ -

Community Development					
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-	-
465.00	Economic Development and Assistance	-	-	-	-
466.00	Economic Opportunity	-	-	-	-
468.00	Other Community Development	-	-	-	-
Total Community Development		\$ -	\$ -	\$ -	\$ -

Proprietary Funds		Fiduciary Fund Type		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,910
\$ -	\$ -	\$ -	\$ -	7,910

\$ -	\$ -	\$ -	\$ 226,795
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 226,795

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31st, 2002

Debt Service		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
471.00	Debt Principal	\$ 20,157	\$ 20,218	\$ -	\$ -
472.00	Debt Interest	2,383	4,088	-	-
473.00	Tax Anticipation Note/Principal	-	-	-	-
474.00	Tax Anticipation Note/Interest	-	-	-	-
475.00	Fiscal Agent Fees	-	-	-	-
Total Debt Service		\$ 22,540	\$ 24,306	\$ -	\$ -

Miscellaneous Expenditures					
481.00	Intergovernmental Expenditures	\$ -	\$ -	\$ -	\$ -
482.00	Judgments and Losses	-	-	-	-
483.00	Pension/Retirement Fund Contributions	60,414	-	-	-
484.00	Workers Compensation	23,412	-	-	-
485.00	Unemployment Compensation	-	-	-	-
486.00	Insurance Premiums	30,861	-	-	-
487.00	Employee Benefits Not Allocated to Specific Functions	30,321	-	-	-
489.00	Other Miscellaneous Expenditures	-	-	-	-
Total Miscellaneous Expenditures		\$ 145,008	\$ -	\$ -	\$ -

Other Financing Uses					
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	-	41,676	-	-
493.00	Other Financing Uses	-	-	-	-
Total Other Financing Uses		\$ -	\$ 41,676	\$ -	\$ -

TOTAL EXPENDITURES	\$ 1,520,787	\$ 421,583	\$ -	\$ -
---------------------------	---------------------	-------------------	-------------	-------------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 31,199	\$ (47,863)	\$ -	\$ -
---	------------------	--------------------	-------------	-------------

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund Type		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>	
\$ -	\$ -	\$ -	\$ -	40,375
-	-	-	-	6,471
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	46,846

\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	60,414
-	-	-	-	23,412
-	-	-	-	-
-	-	-	-	30,861
-	-	-	-	30,321
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	145,008

\$ -	\$ -	\$ -	\$ -	-
-	-	66,243	-	107,919
-	-	-	-	-
\$ -	\$ -	\$ 66,243	\$ -	107,919

\$ -	\$ -	\$ 115,477	\$ -	2,057,847
------	------	------------	------	-----------

\$ -	\$ -	\$ 11,434	\$ -	(5,230)
------	------	-----------	------	---------



MAIDENCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity:

Maidencreek Township (the "Township"), founded in 1747, has an approximate population of 6,600, based on a 2000 census report, living within an area of 14.8 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Berks County.

A summary of the Township's significant accounting policies follows:

The accompanying primary government financial statements conform to the cash basis method of accounting as applicable to governmental units. The following is a summary of the more significant accounting policies used by the Township.

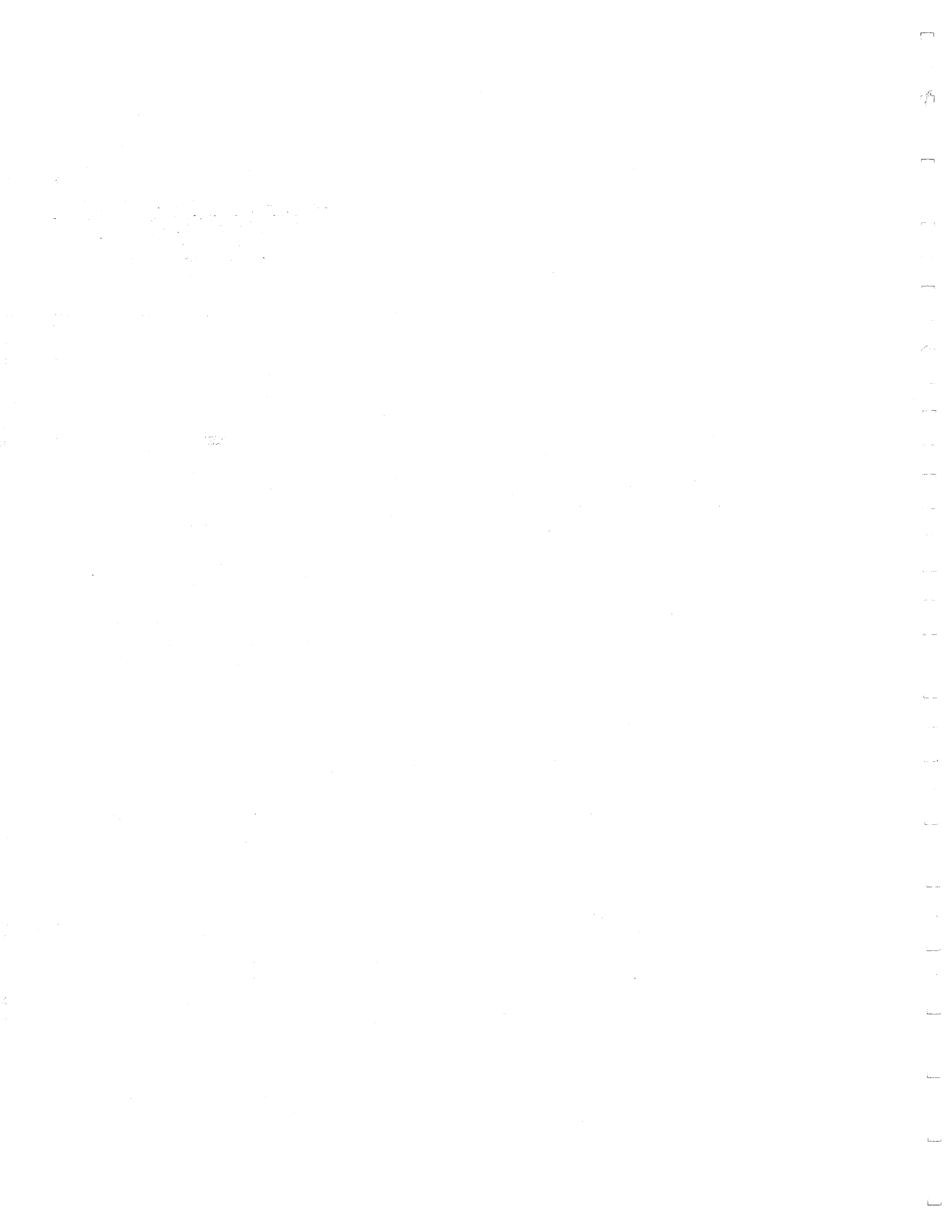
A. THE FINANCIAL REPORTING ENTITY

The Township is a Pennsylvania Second Class Township which operates under a Board of Supervisors form of government. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the primary government. The component unit as determined under the above criteria and as discussed below is not included in the Township's reporting entity as these financial statements include only the cash activities of the primary government.

INDIVIDUAL COMPONENT UNIT DISCLOSURES

Maidencreek Township Authority:

The Maidencreek Township Authority is governed by a five-member board appointed by the Township Supervisors. Although it is legally separate from the Township, the Authority is a component unit and its primary purpose is to provide water and sewer utilities to the Township.



NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

B. DESCRIPTION OF FUND ACCOUNTING AND FUNDS

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds of the Township are grouped in the primary government financial statements in this report as follows:

Governmental fund types:

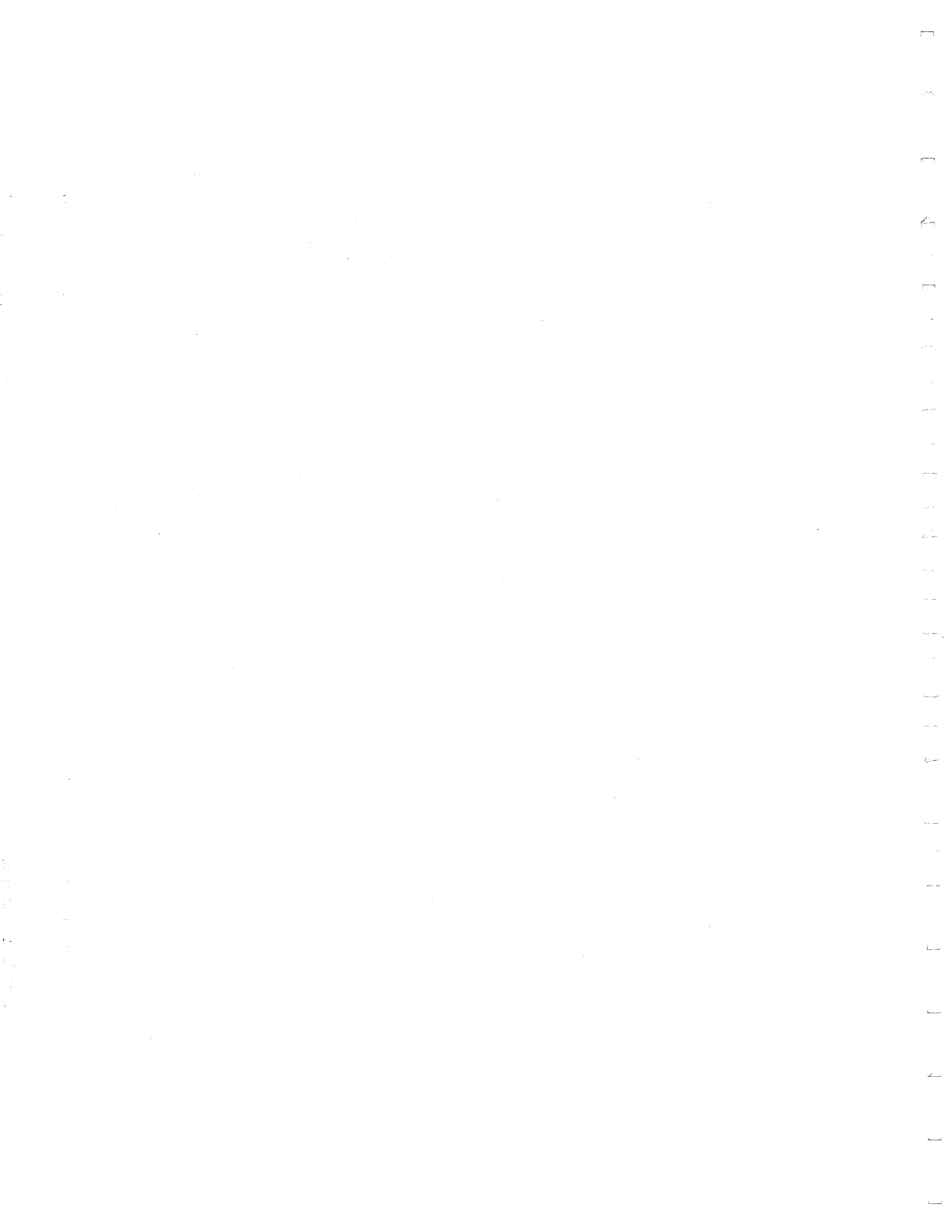
Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the Township's governmental fund types:

General Fund - is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Liquid Fuels Highway Aid Fund - is used to account for the proceeds from the State Motor License Fund. Under the act of June 1, 1956, P.L. 1944, No. 145, this fund must be kept separate from all other funds and no other funds shall be commingled with this fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations. County liquid fuels tax payments to the local government are not accounted for in this fund.

Recreation Board Fund - is used to account for revenue generated by taxation and expenditures related to recreation.



NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

B. DESCRIPTION OF FUND ACCOUNTING AND FUNDS (CONTINUED)

Fiduciary fund types:

Fiduciary funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following is the Township's fiduciary fund type:

Trust and Agency Funds - Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Escrow Fund - is used to account for the funds received from land developers for the completion of improvements to real estate developments within the Township's boundaries.

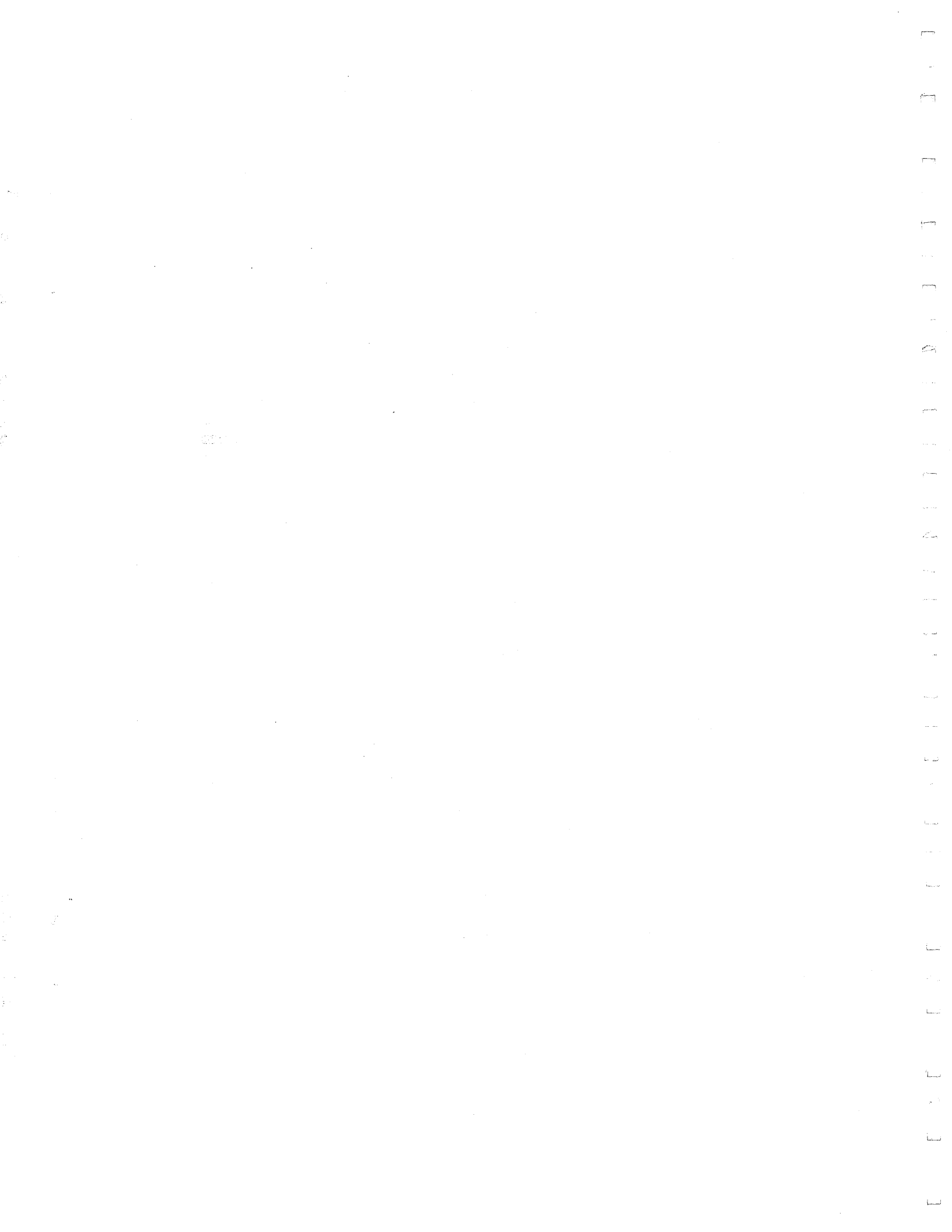
C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

Basis of accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the primary government financial statements.

Cash basis:

The Township's accounts are maintained on a cash basis, and the statement of revenues and expenditures reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, accrued income and expenses and amortization and depreciation, which may be material in amount, are not reflected in the accompanying primary government financial statements which are not intended to present the financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America.



NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (CONTINUED)

Measurement focus:

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on a spending or "financial flow" measurement focus. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

D. ASSET ACCOUNTING POLICY DISCLOSURES

Cash:

The Township considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt investments purchased with a maturity of three months or less to be cash.

General fixed assets:

Purchased general fixed assets are recorded as expenditures in the governmental fund types. Infrastructure assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are recorded as expenditures in the fund types expending the funds.

E. FUND EQUITY ACCOUNTING POLICY DISCLOSURES

Fund balances:

Fund balances of governmental fund types and nonexpendable trust and pension trust funds are classified in two separate categories. The categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund balance which has been legally segregated for specific purposes.

Unreserved fund balance - indicates that portion of fund balance which is available for appropriation and expenditure in future periods.



NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

F. REVENUE AND EXPENDITURE POLICY DISCLOSURES

Revenues:

All revenues are recognized when received.

Property taxes:

Property tax revenues are recognized on the cash basis. The Township is permitted by state law to levy taxes up to 30 mills of assessed valuation for general purposes. State law also permits additional millage to be levied for specific purposes as defined in the law. The millage rate levied by the Township for 2002 was 1.25 mills, as established by the Board of Supervisors. Current tax collections for the Township were approximately 98 percent of the total tax levy.

The Township's real estate taxes are based on assessed values established by the County's Board of Assessments. The taxes are collected by elected local tax collectors. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of two percent is applied to payments made prior to April 30. A penalty of ten percent is added to the face amount of taxes paid after June 30. The County of Berks Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the County Tax Claim Bureau is made by January 15 of the subsequent year.

Intergovernmental revenues:

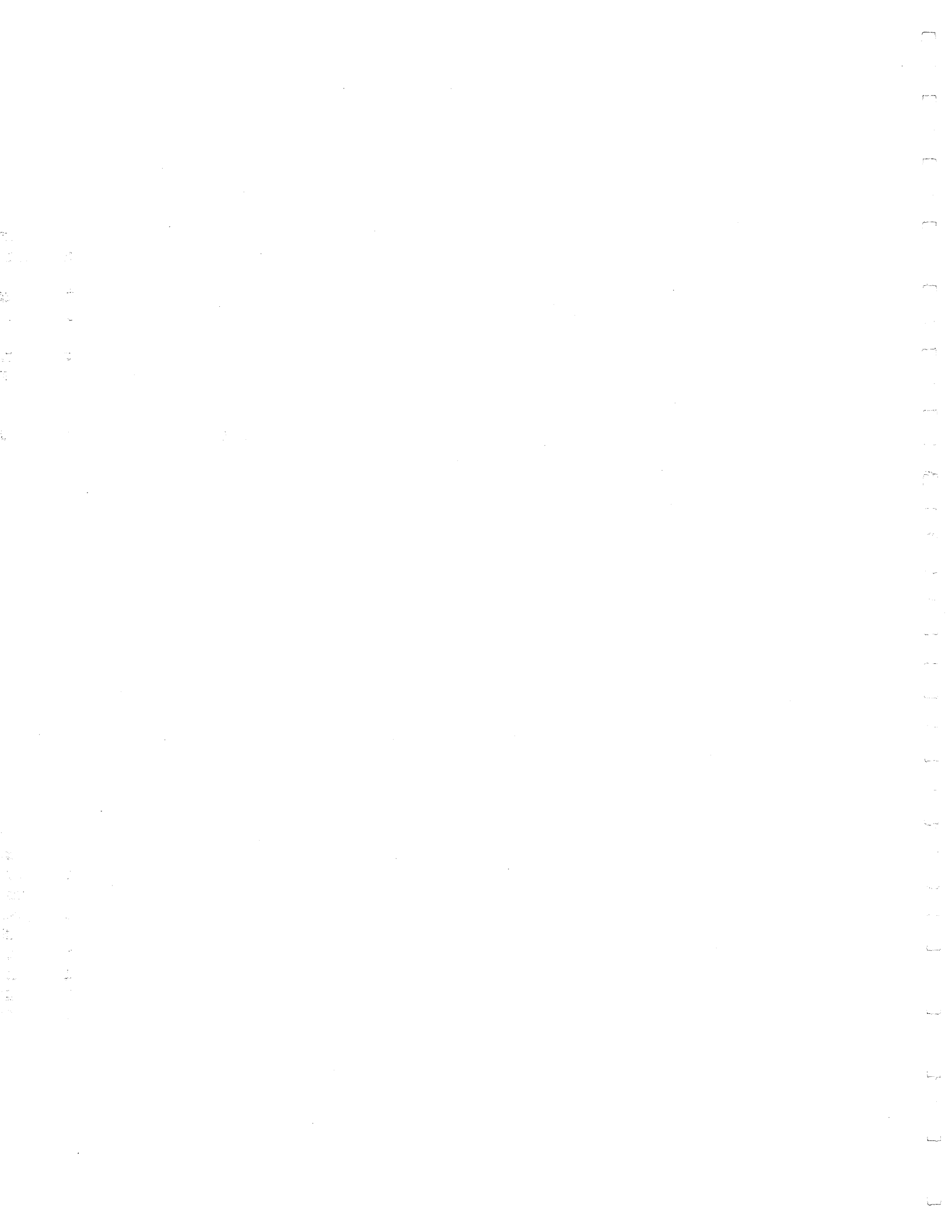
Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania, federal agencies, and other local governments generally to fund specific programs and are recognized when received.

Long-term debt:

Debt service expenditures are recognized in the period paid.

Expenditures/expenses:

Expenditures and expenses are recognized when paid.



NOTES TO FINANCIAL STATEMENTS

Note 2. Budget Matters

The Board of Supervisors annually adopts a budget for the General and Special Revenue Funds. Budgetary control is legally maintained at the fund level.

The Second Class Township Code provides for the modification of the budget and supplemental appropriations and transfers.

Appropriations, except open project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

Note 3. Stewardship, Compliance and Accountability

Compliance with finance related legal and contractual provisions:

The Township had no material violations of finance related legal and contractual provisions.

Excess of expenditures over appropriations in individual funds:

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2001 and the cash received for the year ended December 31, 2002. The applicable funds and amounts for which expenditures exceeded appropriations are as follows:

General Fund	\$	35,255
Recreation Fund		61,857

Note 4. Cash

Bank balances are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes bank balances which are insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes bank balances which are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name. All bank balances of the Township are considered to be either Category 1 or Category 3.

At December 31, 2002, the carrying amount of the Township's bank deposits was \$ 588,069 and the corresponding bank balances were \$ 620,830, of which \$ 362,345 (Category 1) was directly covered by Federal Depository Insurance.



NOTES TO FINANCIAL STATEMENTS

Note 4. Cash (Continued)

Under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of Federal Depository Insurance limits. The uninsured deposits (as defined by Statement No. 3 of the Governmental Accounting Standards Board) of the Township in the amount of \$ 258,485 (Category 3) were collateralized by this pool of assets maintained by the Township's depository institution.

Note 5. Long-Term Debt

At December 31, 2002, long-term debt consisted of the following:

	Balance Outstanding December 31, 2001	Additions	Payments	Balance Outstanding December 31, 2002
General Obligation Note due to a bank in monthly payments of interest only through January 2000, then payments of \$ 1,878 including interest at 5.25% to June 2004	\$ 54,063	\$ -	\$ (20,157)	\$ 33,906
Note payable due to a bank in monthly payments of \$ 1,870 including interest at 4.55% to May 2006	<u>91,008</u>	<u>-</u>	<u>(20,218)</u>	<u>70,790</u>
	<u>\$ 145,071</u>	<u>\$ -</u>	<u>\$ (40,375)</u>	<u>\$ 104,696</u>

Aggregate maturities required on long-term debt at December 31, 2002 are as follows:

	Principal	Interest	Total
2003	\$ 40,888	\$ 4,088	\$ 44,976
2004	33,171	2,115	35,286
2005	21,486	950	22,436
2006	<u>9,151</u>	<u>97</u>	<u>9,248</u>
	<u>\$ 104,696</u>	<u>\$ 7,250</u>	<u>\$ 111,946</u>



NOTES TO FINANCIAL STATEMENTS

Note 5. Long-Term Debt (Continued)

Substantially all of the Township's assets are pledged as collateral to the long-term debt.

Note 6. Pension Plan

The Township administers and contributes to one defined benefit pension plan, the Maiden creek Township Non-Uniform Pension Plan. The assets of the plan are invested separately and may be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

Plan description and funding policy:

Plan description:

The Maiden creek Township Non-Uniform Pension Plan (the "Plan") is a single-employer defined benefit pension plan administered by the Principal Mutual Life Insurance Company. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Principal Mutual Life Insurance Company issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Maiden creek Township.

Funding policy:

The Township is required to contribute amounts necessary to fund the Plan using the actuarial basis specified by statute.

Annual pension cost and net pension obligation:

The Township's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$	29,237
Interest on net pension obligation		-
Adjustment to annual required contribution		-
		-
Annual pension cost		29,237
Contributions made		29,237
		-
Increase (decrease) in net pension obligation		-
Net pension obligation beginning of year		-
		-
Net pension obligation end of year	\$	-

MAIDENCREEK TOWNSHIP

SCHEDULE OF FUNDING PROGRESS

Maidencreek Township Non-Uniform Pension Plan:

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
January 1, 1997	\$ 21,412	\$ 88,166	\$ 66,754	24%
January 1, 1999	59,038	111,153	52,115	53%
January 1, 2001	108,088	156,736	48,648	69%

	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
\$	76,355	87%
	113,680	46%
	131,811	37%

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

STATEMENT OF CAPITAL EXPENDITURES

Category	Capital Purchases	Capital Construction	Total
Electric	\$ -	\$ -	\$ -
Fire	-	-	-
Gas System	-	-	-
General Government	46,925	-	46,925
Health	-	-	-
Housing	-	-	-
Libraries	-	-	-
Mass Transit	-	-	-
Parks	-	166,094	166,094
Police	23,156	-	23,156
Sewer	-	-	-
Solid Waste	-	-	-
Streets/Highways	29,733	-	29,733
Water	-	-	-
Other (Please Specify)	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-

TOTAL CAPITAL EXPENDITURES	\$ 265,908
-----------------------------------	-------------------

TAX RATES, CENSUS AND OTHER INFORMATION

Assessed Value of Real Estate as of December 31st \$ 354,422,625

Tax Rate:

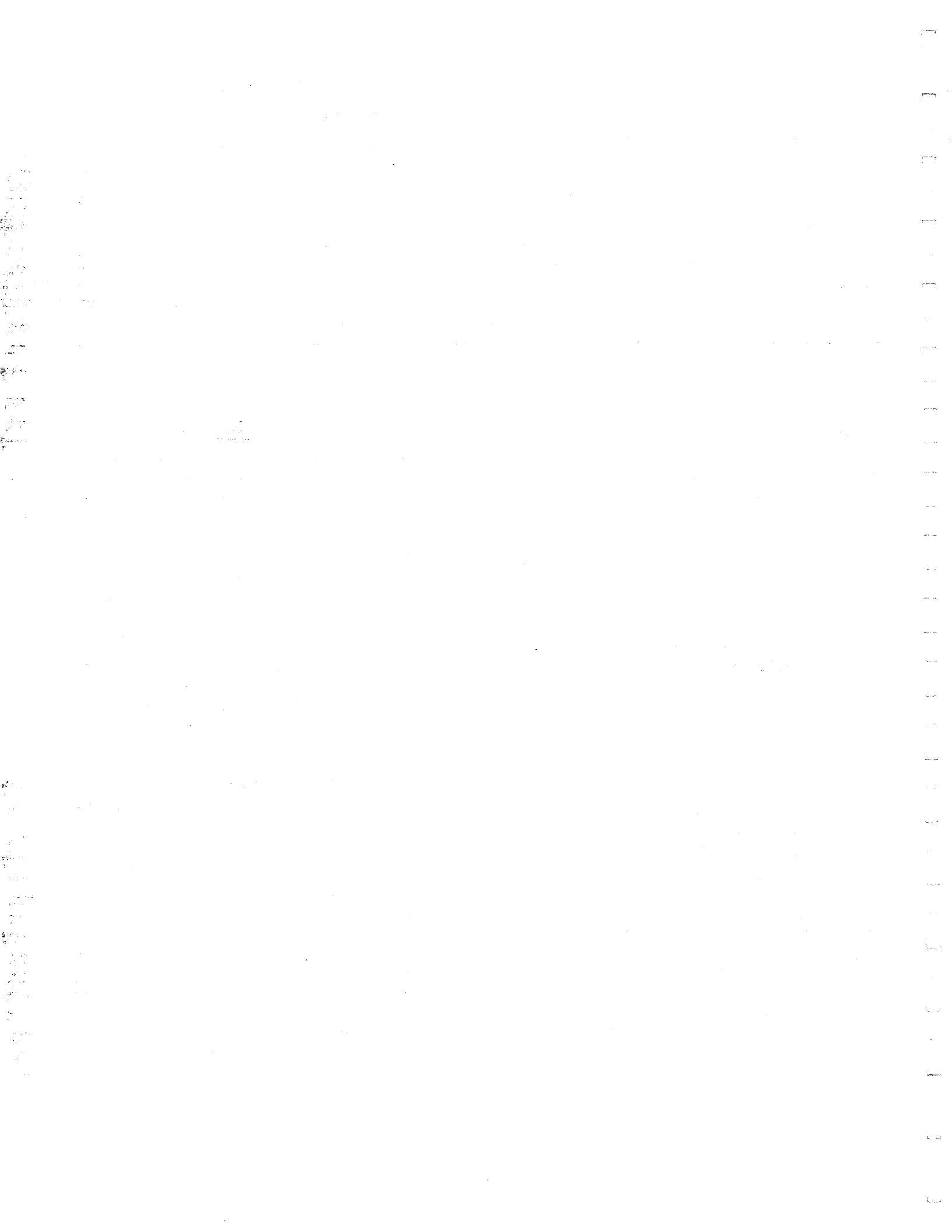
General Purposes	<u>0.75</u>	Mills
Debt Purposes	<u>-</u>	Mills
Recreational Purposes	<u>0.50</u>	Mills
All Other Purposes	<u>-</u>	Mills
 Total	 <u>1.25</u>	 Mills

Employee Compensation:

Total salaries, wages, commissions, etc. paid this year. \$ 237,003
 (including all employees and elected officials)

*USE INCOME FROM W-3 STATEMENT





Statement of Revenues and Expenditures December 31st, 2002

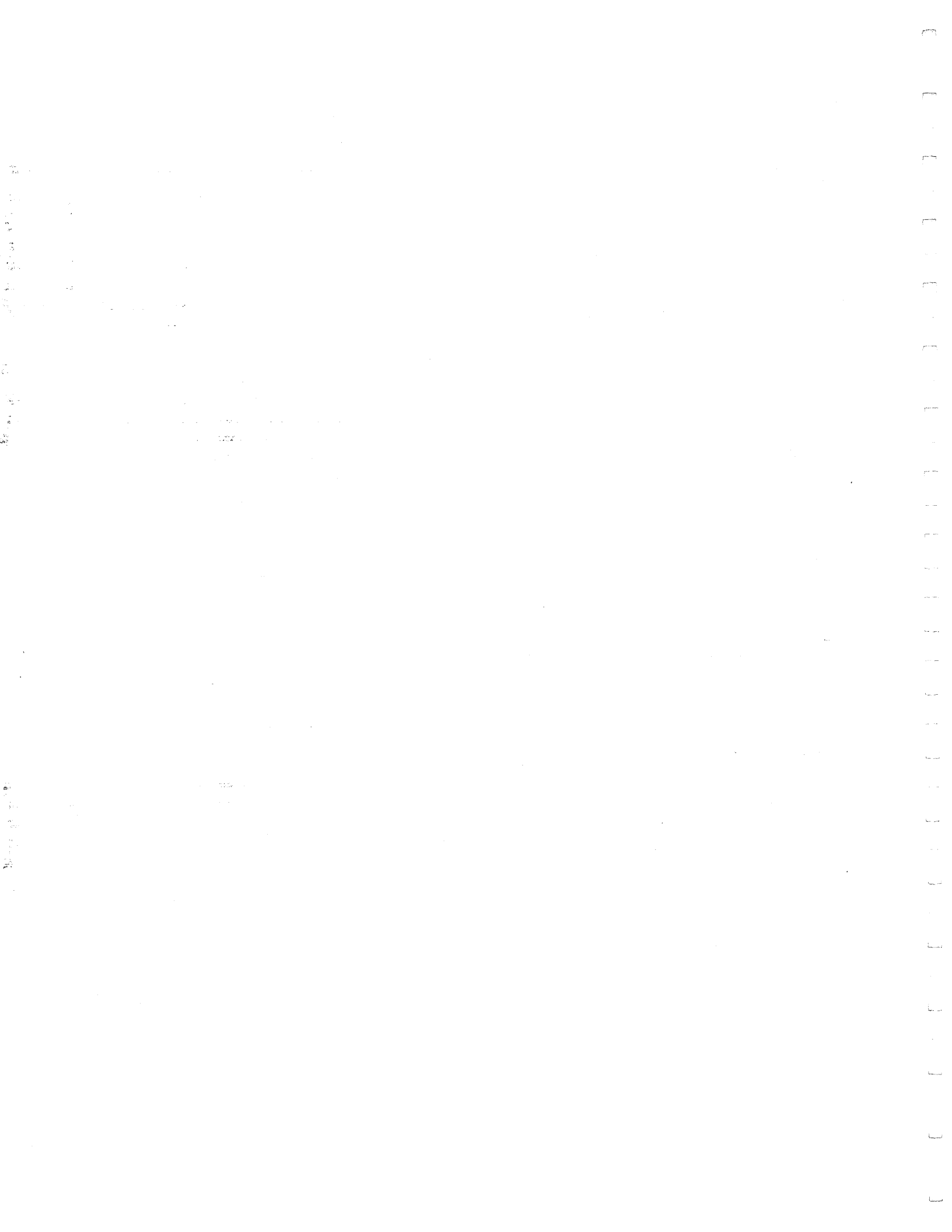
Intergovernmental Revenues		Special Revenue Funds		Total
Federal		State Liquid Fuels	Recreation	Memorandum Only
351.03	Highways and Streets	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-
351.99	All Other Federal Grants	-	-	-
352.08	National Forest Products	-	-	-
352.99	All Other Federal Shared Revenue & Entitlements	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-
Total Federal		\$ -	\$ -	\$ -

State				
354.03	Highway and Streets	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-
355.01	Public Utility Realty Tax	-	-	-
355.02	Motor Vehicle Fuel Tax	138,803	-	138,803
355.06	General Municipal Pension System State Aid	-	-	-
355.08	Alcoholic Beverage Taxes/Beverage Licenses	-	-	-
355.09	Recycling / Act 101	-	-	-
355.99	All Other Shared Revenues and Entitlements	-	-	-
356.00	State Payment in Lieu of Taxes	-	-	-
Total State		\$ 138,803	\$ -	\$ 138,803

Local Governmental Units				
357.03	Highways and Streets	\$ -	\$ -	\$ -
357.99	All Other Local Governmental Unit Grants	-	-	-
359.00	Local Governmental Unit Payments in Lieu of Taxes	-	-	-
Total Local Government Units		\$ -	\$ -	\$ -

TOTAL INTERGOVERNMENTAL REVENUES	\$ 138,803
---	-------------------

Charges for Service				
361.00	General Government	\$ -	\$ -	\$ -
362.00	Public Safety	-	-	-
363.20	Parking/Parking Meters, Permits	-	-	-
363.99	All Other Charges for Highway & Street Services	-	-	-
364.10	Wastewater/Sewage	-	-	-
364.30	Solid Waste Collection/Trash	-	-	-
364.60	Host Municipality Fee for Solid Waste Facility	-	-	-
364.99	Other Charges for Sanitation Services	-	-	-
365.00	Health	-	-	-
367.00	Culture and Recreation	-	-	-
378.00	Water System	-	-	-
379.00	Other Charges for Services	-	-	-
Total Charges for Services		\$ -	\$ -	\$ -



Statement of Revenues and Expenditures December 31st, 2002

Miscellaneous Revenues		Special Revenue Funds		Total
		<i>State Liquid Fuels</i>	<i>Recreation</i>	<i>Memorandum Only</i>
383.00	Special Assessments	\$ -	\$ -	\$ -
387.00	Contributions & Donations from Private Sectors	-	201	201
389.00	All Other Miscellaneous Revenues	-	-	-
Total Miscellaneous Revenues		\$ -	\$ 201	\$ 201

Other Financing Sources				
391.00	Proceeds of General Fixed Asset Distribution	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	-	60,320	60,320
393.00	Proceeds of General Long Term Debt	-	-	-
394.00	Proceeds of Tax and Revenue Anticipation Notes	-	-	-
395.00	Refunds of Prior Year Expenditures	-	-	-
Total Other Financing Sources		\$ -	\$ 60,320	\$ 60,320

TOTAL REVENUES	\$ 139,917	\$ 233,803	\$ 373,720
-----------------------	------------	------------	------------

EXPENDITURES				
General Government				
400.00	Legislative/Governing Body	\$ -	\$ -	\$ -
401.00	Executive/Manager or Mayor	-	-	-
402.00	Auditing Services/Bookkeeping Services	-	-	-
403.00	Tax Collection	-	-	-
404.00	Solicitor/Legal Services	-	1,501	1,501
405.00	Secretary/Clerk	-	-	-
406.00	Other General Government Administration	-	-	-
408.00	Engineering Services	-	28,158	28,158
409.00	General Government Buildings and Plant	-	-	-
Total General Government		\$ -	\$ 29,659	\$ 29,659



Statement of Revenues and Expenditures December 31st, 2002

Public Safety		Special Revenue Funds		Total
		<i>State/Liquid Fuels</i>	<i>Recreation</i>	<i>Memorandum Only</i>
410.00	Police	\$ -	\$ -	\$ -
411.00	Fire	-	-	-
412.00	Ambulance/Rescue	-	-	-
413.00	Protective Inspection	-	-	-
414.00	Planning and Zoning	-	-	-
415.00	Emergency Management	-	-	-
419.00	Other Public Safety	-	-	-
Total Public Safety		\$ -	\$ -	\$ -

Health and Human Services				
420.00	Health and Human Services	\$ -	\$ -	\$ -

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	-	-	-
Total Public Works - Sanitation		\$ -	\$ -	\$ -

Public Works - Highways and Streets				
430.00	General Services	\$ -	\$ -	\$ -
431.00	Cleaning of Streets	-	-	-
432.00	Winter Maintenance	-	-	-
433.00	Traffic Control Devices	-	-	-
434.00	Street Lighting	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-
436.00	Storm Sewers and Drains	-	-	-
437.00	Repairs of Tools and Machinery	-	-	-
438.00	Road and Bridge Maintenance	99,726	-	99,726
439.00	Construction and Rebuilding Projects	-	-	-
Total Public Works - Highways and Streets		\$ 99,726	\$ -	\$ 99,726



Statement of Revenues and Expenditures December 31st, 2002

Other Public Works Enterprises		Special Revenue Funds		Total
		<i>State Liquid Fuels</i>	<i>Recreation</i>	<i>Memorandum Only</i>
440.00	Airports	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-
442.00	Electric System	-	-	-
443.00	Gas System	-	-	-
444.00	Markets	-	-	-
445.00	Parking Facilities	-	-	-
446.00	Storm Water and Flood Control	-	-	-
447.00	Transit System	-	-	-
448.00	Water System	-	-	-
449.00	Water Transport and Terminals	-	-	-
	Other Public Works and Enterprises	-	-	-
Total Other Public Works Enterprises		\$ -	\$ -	\$ -

Culture and Recreation				
451.00	Recreation	\$ -	\$ 226,216	\$ 226,216
454.00	Parks	-	-	-
455.00	Shade Trees	-	-	-
456.00	Libraries	-	-	-
458.00	Senior Citizen Centers	-	-	-
459.00	Other Culture and Recreation	-	-	-
Total Culture and Recreation		\$ -	\$ 226,216	\$ 226,216

Community Development				
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-
465.00	Economic Development and Assistance	-	-	-
466.00	Economic Opportunity	-	-	-
468.00	Other Community Development	-	-	-
Total Community Development		\$ -	\$ -	\$ -



Statement of Revenues and Expenditures December 31st, 2002

Debt Service		Special Revenue Funds		Total
		<i>State Liquid Fuels</i>	<i>Recreation</i>	<i>Memorandum Only</i>
471.00	Debt Principal	\$ -	\$ 20,218	\$ 20,218
472.00	Debt Interest	-	4,088	4,088
473.00	Tax Anticipation Note/Principal	-	-	-
474.00	Tax Anticipation Note/Interest	-	-	-
475.00	Fiscal Agent Fees	-	-	-
Total Debt Service		\$ -	\$ 24,306	\$ 24,306

Miscellaneous Expenditures				
481.00	Intergovernmental Expenditures	\$ -	\$ -	\$ -
482.00	Judgments and Losses	-	-	-
483.00	Pension/Retirement Fund Contributions	-	-	-
484.00	Workers Compensation	-	-	-
485.00	Unemployment Compensation	-	-	-
486.00	Insurance Premiums	-	-	-
487.00	Employee Benefits Not Allocated to Specific	-	-	-
489.00	Other Miscellaneous Expenditures	-	-	-
Total Miscellaneous Expenditures		\$ -	\$ -	\$ -

Other Financing Uses				
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	-	41,676	41,676
493.00	Other Financing Uses	-	-	-
Total Other Financing Uses		\$ -	\$ 41,676	\$ 41,676

TOTAL EXPENDITURES	\$ 99,726	\$ 321,857	\$ 421,583
---------------------------	-----------	------------	------------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 40,191	\$ (88,054)	\$ (47,863)
---	-----------	-------------	-------------

