

**MAIDENCREEK TOWNSHIP
BERKS COUNTY, PENNSYLVANIA**

DECEMBER 31, 2003





Annual Audit and Financial Report

City of: _____, _____ County

Borough of: _____, _____ County

Township of: _____, _____ County

Municipality of: MAIDENCREEK BERKS County

for the year 20 03



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
Edward G. Rendell, Governor

PA Dept. of Community & Economic Development
Dennis Yablonsky, Secretary
www.inventpa.com





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Certified Public Accountants

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U.S. TREASURY DEPARTMENT
PENNA. DEPT. OF REVENUE

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Maidencreek Township
Berks County, Pennsylvania

We have audited the accompanying primary government financial statements, included in the accompanying Pennsylvania Form DCED of Maidencreek Township, Berks County, Pennsylvania, as of and for the year ended December 31, 2003. 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 U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

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, 2003, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

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However, the primary government financial statements, because they do not include the financial data of the component unit of Maiden creek Township, do not purport to, and do not, present fairly the cash balances of Maiden creek Township as of December 31, 2003, 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 24 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 inquires 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 on Pages 25 and 26 is presented for purposes of additional analysis and is not a required part of the primary government financial statements of Maiden creek 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.

Kosmerl & Co., P.C.

KOSMERL & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 18, 2004



Balance Sheet December 31st, 2003

Assets and Other Debits		Governmental Funds			
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</i>
100-120	Cash and Investments	416,552	113,387		
140-144	Tax Receivable				
121-147	Accounts Receivable (excluding taxes)				
148-159	Other Current Assets				
160-169	Fixed Assets				
180-199	Other Debits				
Total Assets and Other Debits		416,552	113,387		

Liabilities and Other Credits					
210-229	Payroll Taxes & 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	Investment in General Fixed Assets				
271-289	Fund Balance/Retained Earnings 12/31	416,552	113,387		
Total Fund and Account Group Equity		416,552	113,387		



Balance Sheet December 31st, 2003

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>General Long Term Debt</i>	<i>Memorandum Only</i>
67,248		345,335			942,522
67,248		345,335			942,522

TOTAL ASSETS	\$ 942,522
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		345,335			345,335
		345,335			345,335

TOTAL LIABILITIES	\$ 345,335
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67,248		-0-			597,187
67,248		-0-			597,187

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 942,522
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Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>
				451,179
				23,412
				230,582
				788,847
				15,307
				11,417
				1,520,744

				87,901
				28,255
				116,156

				35,683
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	252		2,320	8,701
				14,810
	252		2,320	23,511

Statement of Revenues and Expenditures

INTERGOVERNMENTAL REVENUES		Governmental Funds		
Federal		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>
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	Highways and Streets	4,163		
354.09	Community Development			
355.01	Public Utility Realty Tax	2,605		
355.02	Motor Vehicle Fuel Tax		141,544	
355.06	General Municipal Pension System State Aid	11,578		
355.08	Alcoholic Beverage Taxes/Beverage Licenses			
355.09	Recycling/Act 101			
355.99	All Other Shared Revenues and Entitlements			
356.00	State Payments in Lieu of Taxes			
Total State		18,346	141,544	
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 Governmental Units				

Charges for Service				
361.00	General Government	537		
362.00	Public Safety	9,175		
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		61,334	
378.00	Water System			
379.00	Other Charges for Service	3,000		
Total Charges for Service		12,712	61,334	

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>

				4,163
				2,605
				141,544
				11,578
				159,890

Total Intergovernmental Revenues	\$ 159,890
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				537
				9,175
				61,334
				463
				463
				3,463
				74,509

Statement of Revenues and Expenditures

Miscellaneous Revenues		Governmental Funds		
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>
383.00	Special Assessments			
387.00	Contributions and Donations from Private Sectors	50	4,066	
389.00	All Other Miscellaneous Revenues			
Total Miscellaneous Revenues		50	4,066	

Other Financing Sources				
391.00	Proceeds of General Fixed Asset Distribution			
392.00	Interfund Operating Transfers			
393.00	Proceeds of General Long Term Debt			
394.00	Proceeds of Tax and Revenue Anticipation Notes			
395.00	Refunds of Prior Year Expenditures	48,686		
Total Other Financing Sources		48,686		

TOTAL REVENUES	1,594,476	385,784	
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EXPENDITURES				
General Government				
400.00	Legislative/Governing Body	51,357	1,895	
401.00	Executive/Manager or Mayor			
402.00	Auditing Services/Bookkeeping Services	130		
403.00	Tax Collection	11,194		
404.00	Solicitor/Legal Services	27,034	518	
405.00	Secretary/Clerk	56,566		
406.00	Other General Government Administration	212		
408.00	Engineering Services	79,707	11	
409.00	General Government Buildings and Plant	49,367	28,890	
Total General Government		275,567	31,314	

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
	134,341			134,341
	50			4,166
	134,391			138,507

				48,686
				48,686

	135,106		2,320	2,117,686
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	2,615			55,867
				130
				11,194
				27,552
				56,566
	20		96	328
			8,227	87,945
				78,257
	2,635		8,323	317,839

Statement of Revenues and Expenditures

Public Safety		Governmental Funds		
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects
410.00	Police	504,775		
411.00	Fire	35,376		
412.00	Ambulance/Rescue	46,381		
413.00	Protective Inspection	10,723		
414.00	Planning and Zoning	9,915		
415.00	Emergency Management	10,080		
419.00	Other Public Safety	342		
Total Public Safety		617,592		

Health and Human Services				
420.00	Health and Human Services	28,451		

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	148		
427.00	Solid Waste Collection and Disposal	780	10	
429.00	Wastewater/Sewage Collection and Treatment	2,950		
Total Public Works - Sanitation		3,878	10	

Public Works - Highways and Streets				
430.00	General Services	71,018	8,352	
431.00	Cleaning of Streets			
432.00	Winter Maintenance	4,038	14,734	
433.00	Traffic Control Devices	12,149		
434.00	Street Lighting	67,089		
435.00	Sidewalks and Crosswalks			
436.00	Storm Sewers and Drains	9		
437.00	Repairs of Tools and Machinery	18,532	12,467	
438.00	Road and Bridge Maintenance	71,720		
439.00	Construction and Rebuilding Projects		109,910	
Total Public Works - Highways and Streets		244,555	145,463	

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
				504,775
				35,376
				46,381
				10,723
				9,915
				10,080
				342
				617,592

				28,451
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	65,223			65,371
				790
				2,950
	65,223			69,111

				79,370
				18,772
				12,149
				67,089
				9
				30,999
				71,720
				109,910
				390,018

Statement of Revenues and Expenditures

Other Public Works Enterprises		Governmental Funds		
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</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	3,000		
449.00	Water Transport and Terminals			
	Other Public Works and Enterprises			
Total Other Public Works Enterprises		3,000		

Culture and Recreation				
451.00	Recreation		21,093	
454.00	Parks		109,801	
455.00	Shade Trees			
456.00	Libraries			
458.00	Senior Citizen Centers			
459.00	Other Culture and Recreation	6,850	1,711	
Total Culture and Recreation		6,850	132,605	

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

	Proprietary Funds		Fiduciary Fund Type	Total
<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
				3,000
				3,000

				21,093
				109,801
				8,561
				139,455

Statement of Revenues and Expenditures

Debt Service		Governmental Funds		
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>
471.00	Debt Principal	20,156	19,568	
472.00	Debt Interest	2,384	2,868	
473.00	Tax Anticipation Note/Principal			
474.00	Tax Anticipation Note/Interest			
475.00	Fiscal Agent Fees			
Total Debt Service		22,540	22,436	

Miscellaneous Expenditures				
481.00	Intergovernmental Expenditures			
482.00	Judgments and Losses			
483.00	Pension/Retirement Fund Contributions	29,981		
484.00	Workers Compensation	25,943		
485.00	Unemployment Compensation			
486.00	Insurance Premiums	83,195		
487.00	Employee Benefits Not Allocated to Specific Functions	28,801		
489.00	Other Miscellaneous Expenditures			
Total Miscellaneous Expenditures		167,920		

Other Financing Uses				
491.00	Refund of Prior Year Revenues			
492.00	Interfund Operating Transfers			
493.00	Other Financing Uses			
Total Other Financing Uses				

TOTAL EXPENDITURES	1,370,353	331,828	
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	224,123	53,956	
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Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
				39,724
				5,252
				44,976

				29,981
				25,943
				83,195
				28,801
				167,920

	67,858		8,323	1,778,862
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	67,248		(6,003)	338,833
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MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

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. U. S. generally accepted accounting principles 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.

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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 trust 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.

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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)

Enterprise Fund – is used to account for the Township's recycling program.

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. In prior years funds retained for future disposition were accounted for as a fund balance. These funds are held in a trustee capacity and after certain criteria is met, the remainder if any is returned to the developers. As such these funds are now reported as liabilities of the Township.

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, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principals, and the statements of cash receipts and disbursements reflect 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 financial statements.

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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.

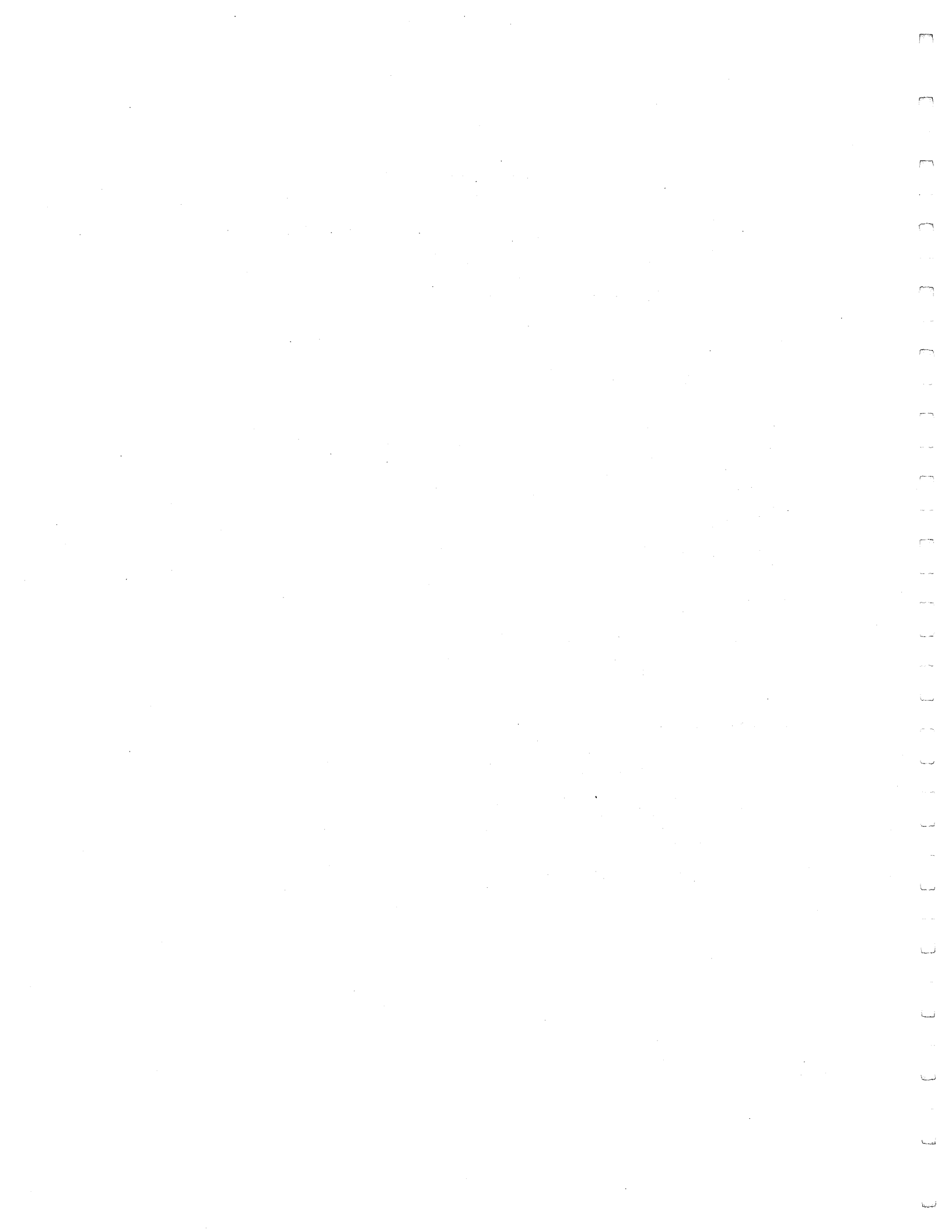
E. FUND EQUITY ACCOUNTING POLICY DISCLOSURES

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.



MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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 2003 was 1.25 mills, as established by the Board of Supervisors. Current tax collections for the Township were approximately 96 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.

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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

Compensated Absences:

Compensated absences for vacation and sick leave are recorded when paid.

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.

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, 2002 and the cash received for the year ended December 31, 2003.

4. CASH

As of December 31, 2003 bank balances of deposits were entirely insured by Federal Depository Insurance or collateralized in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

5. LONG-TERM DEBT

At December 31, 2003, long-term debt consisted of the following:

	Balance Outstanding December 31, 2002	Additions	Payments	Balance Outstanding December 31, 2003
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	\$ 33,906	\$ 0	(\$ 20,156)	\$ 13,750
Note payable due to a bank in monthly payments of \$ 1,870 including interest at 4.55% to May 2006	<u>70,790</u>	<u>0</u>	<u>(19,568)</u>	<u>51,222</u>
	<u>\$ 104,696</u>	<u>\$ 0</u>	<u>(\$ 39,724)</u>	<u>\$ 64,972</u>

Aggregate maturities required on long-term debt at December 31, 2003 are as follows:

	Principal	Interest	Total
2004	\$ 34,169	\$ 3,407	\$ 37,576
2005	21,387	1,048	22,435
2006	<u>9,416</u>	<u>47</u>	<u>9,463</u>
	<u>\$ 64,972</u>	<u>\$ 4,502</u>	<u>\$ 69,474</u>

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

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

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	\$ 29,588
Interest on net pension obligation	--
Adjustment to annual required contribution	<u>--</u>
Annual pension cost	\$ 29,588
Contributions made	<u>29,588</u>
Increase(decrease) in net pension obligation	--
Net pension obligation beginning of year	<u>--</u>
Net pension obligation end of year	<u><u>\$ --</u></u>

MAIDENCREEK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

6. PENSION PLAN (Continued)

Annual pension cost and net pension obligation (continued):

The annual required contribution for the current year was determined as part of the January 1, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 5.5% investment rate of return and (b) projected salary increases of 4.50% per year. Provisions for administrative expenses are added to normal cost. The assumptions included postretirement mortality and percent married provisions. Retirement is based upon normal retirement age as defined in the Plan. The actuarial value of assets was determined by contract basis.

Three-Year Trend Information:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/01	\$ 25,455	100%	\$ --
12/31/02	\$ 29,237	100%	\$ --
12/31/03	\$ 29,588	100%	\$ --

7. Commitments and Contingencies

Line of credit:

The Township has lines of credit with two local financial institutions in the amounts of \$50,000 and \$75,000. At December 31, 2003, the Township had not drawn on the lines of credit.

Maidencreek Township Authority:

The Township has guaranteed the Authority's 1999 Sewer Revenue Note, of which \$3,331,482 is outstanding at December 31, 2003. The debt is evidenced by a Guaranty Agreement.

Litigation:

The Township is a defendant in a lawsuit, which has been referred to the lawyers who represent the Township's insurance carrier. While it is not feasible to determine the outcome of this matter, in the opinion of management, any total ultimate liability would not have a material effect on the Township's financial position.



MAIDENCREEK TOWNSHIP
SCHEDULE OF FUNDING PROGRESS

Maidencreek Township Non-Uniform Pension Plan:

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	AAL (UAAL) (b-a)	Funded Ratio (a/b)
January 1, 1999	\$ 59,038	\$ 111,153	\$ 52,115	53%
January 1, 2001	108,088	156,736	48,648	69%
January 1, 2003	191,044	186,723	(4,321)	102%

	Covered Payroll (c)	UAAL As A % of Covered Covered Payroll (b-a)/c)
January 1, 1999	\$ 113,680	46 %
January 1, 2001	131,811	37 %
January 1, 2003	140,528	(3.1%)

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