

# Kosmerl & Company P.C.

A Professional Corporation

*Certified Public Accountants*

535 North 5th St.

Reading, PA

19601-3005

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MEMBERS  
PA INSTITUTE OF CPA'S

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

March 25, 2014

To the Board of Supervisors  
Maidencreek Township

We have audited the Commonwealth of Pennsylvania Audit and Financial Report (Form DCED-CLGS-30) of Maidencreek Township for the year ended December 31, 2013, and have issued our report thereon dated March 25, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. No new accounting policies were adopted and the application of existing policies was not changed during the year ending 2013. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the Form DCED-CLGS-30 prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The Form DCED-CLGS-30 disclosures are neutral, consistent and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Form DCED-CLGS-30 taken as a whole.

##### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Form DCED-CLGS-30 or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 25, 2014.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's DCED-CLGS-30 or a determination of the type of auditor's opinion that may be expressed on the Form DCED-CLGS-30, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Supervisors and management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Kosmerl & Company, P.C.*

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KOSMERL & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

# ORLANDO LAW OFFICES

*A Professional Corporation*

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February 28, 2014

Kosmerl & Company, P.C.  
535 N. 5<sup>th</sup> Street  
Reading, PA 19601

Re: Maiden creek Township

Dear Sir or Madam:

This responds to your letter forwarded by facsimile on February 26, 2014, regarding Maiden creek Township.

**I. Pending or Threatened Litigation.**

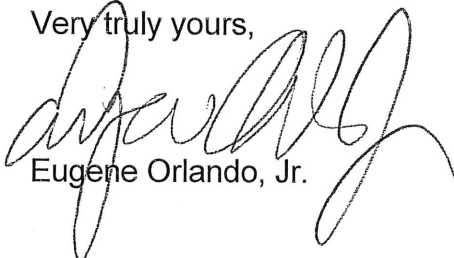
Christopher Templin, et al v. Maiden creek Township, et al; USDC, EDPA Docket No. 5:13-cv-05514. A civil rights action arising out of the claim against the Northern Berks Regional Police Department, a Police Commission in which Maiden creek Township participates. The case is being handled by insurance defense counsel and claim should be covered fully by insurance. The posture of the case at this point is in the early stages of discovery. A Motion to Dismiss the Township is pending but not yet ruled on by the Court. It is difficult to determine the likelihood of an unfavorable outcome, but it is believe that any outcome is likely to be covered by insurance should it be unfavorable to the Township.

**II. Unasserted Claims and Assessments.**

None against the Township to the best of the undersigned's knowledge.

I hope this information is helpful.

Very truly yours,



Eugene Orlando, Jr.

EO/tmw  
cc: Maiden creek Township

**MAIDENCREEK TOWNSHIP**

**DECEMBER 31, 2013**



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PA DEPT. OF REVENUE

## 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, which comprise the statement of assets, liabilities and fund equity as of December 31, 2013, and the related statement of revenue collected and expenditures, or expenses paid for the year then ended, which collectively comprise the financial statements as shown in the DCED prescribed form.

### **Management's Responsibility for the DCED-CLGS-30 (Financial Statement)**

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 Maiden Creek 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 Maiden Creek Township, as of December 31, 2013, 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 Maiden Creek Township as of December 31, 2013, 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.*

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KOSMERL & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

March 25, 2014



## MAIDENCREEK TWP, BERKS County

## BALANCE SHEET

December 31, 2013

|  |   | Governmental Funds |  |                  |              | Proprietary Funds |                  | Fid. Fund        | Account Groups       |                        | Total           |
|--|---|--------------------|--|------------------|--------------|-------------------|------------------|------------------|----------------------|------------------------|-----------------|
|  |   | General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | General Fixed Assets | General Long Term Debt | Memorandum Only |
| <b>Liabilities and Other Credits</b>                       |   |                    |  |                  |              |                   |                  |                  |                      |                        |                 |
| 260-269  | Long-Term-Liabilities                               |                    |  |                  |              |                   |                  |                  |                      | 98,447                 | 98,447          |
| 240-259  | Current Portion of Long-Term Debt and Other Credits |                    |  |                  |              |                   |                  |                  |                      | 63,425                 | 63,425          |
| <b>Total Liabilities and Other Credits</b>                 |   | 49                 |  |                  |              |                   |                  | 193,470          |                      | 161,872                | 355,391         |
| <b>Fund and Account Group Equity</b>                       |   |                    |  |                  |              |                   |                  |                  |                      |                        |                 |
| 281-284  | Contributed Capital                                 |                    |  |                  |              |                   |                  |                  |                      |                        |                 |
| 290.00   | Investment in General Fixed Assets                  |                    |  |                  |              |                   |                  |                  |                      |                        |                 |
| 270-289  | Fund Balance / Retained Earnings on 12/31           | 645,469            | 61,932   |                  |              |                   |                  |                  |                      |                        | 707,401         |
| 291-299  | Other Equity  |                    |  |                  |              |                   |                  |                  |                      |                        |                 |
| <b>Total Fund and Account Group Equity</b>                 |   | 645,469            | 61,932   |                  |              |                   |                  |                  |                      |                        | 707,401         |
| <b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b> |   |                    |  |                  |              |                   |                  |                  |                      |                        | 1,062,792       |

**MAIDENCREEK TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

| Governmental Funds |  |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|--|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**REVENUES**

| Taxes              |  |           |         |  |  |  |  |           |
|--------------------|--|-----------|---------|--|--|--|--|-----------|
| 301.00             | Real Estate Taxes  | 591,728   | 114,712 |  |  |  |  | 706,440   |
| 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   | 128,343   |         |  |  |  |  | 128,343   |
| 310.20             | Earned Income Taxes / Wage Taxes   | 1,123,913 |         |  |  |  |  | 1,123,913 |
| 310.30             | Business Gross Receipts Taxes  |           |         |  |  |  |  |           |
| 310.40             | Occupation Taxes (levied under Act 511)                                  |           |         |  |  |  |  |           |
| 310.50             | Local Services Tax **  | 151,025   |         |  |  |  |  | 151,025   |
| 310.60             | Amusement / Admission Taxes  | 10,804    |         |  |  |  |  | 10,804    |
| 310.70             | Mechanical Device Taxes  |           |         |  |  |  |  |           |
| 310.90             | Other Local Tax Enabling Act / Act 511 / Taxes                           |           |         |  |  |  |  |           |
|                    | Other: _____   |           |         |  |  |  |  |           |
| <b>Total Taxes</b> |  | 2,005,813 | 114,712 |  |  |  |  | 2,120,525 |

| Licenses and Permits              |                                 |         |  |  |  |  |  |         |
|-----------------------------------|---------------------------------|---------|--|--|--|--|--|---------|
| 320-322                           | All Other Licenses and Permits  | 232,502 |  |  |  |  |  | 232,502 |
| 321.80                            | Cable Television Franchise Fees | 100,768 |  |  |  |  |  | 100,768 |
| <b>Total Licenses and Permits</b> |                                 | 333,270 |  |  |  |  |  | 333,270 |

| Fines and Forfeits              |                    |        |  |  |  |  |  |        |
|---------------------------------|--------------------|--------|--|--|--|--|--|--------|
| 330-332                         | Fines and Forfeits | 19,896 |  |  |  |  |  | 19,896 |
| <b>Total Fines and Forfeits</b> |                    | 19,896 |  |  |  |  |  | 19,896 |

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**MAIDENCREEK TWP, BERKS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

| Governmental Funds |  |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|--|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**REVENUES**

| Interest, Rents and Royalties              |                     |               |              |  |  |  |  |               |
|--|---------------------|---------------|--------------|--|--|--|--|---------------|
| 341.00                                     | Interest Earnings   | 4,360         | 336          |  |  |  |  | 4,696         |
| 342.00                                     | Rents and Royalties | 30,589        | 1,780        |  |  |  |  | 32,369        |
| <b>Total Interest, Rents and Royalties</b> |                     | <b>34,949</b> | <b>2,116</b> |  |  |  |  | <b>37,065</b> |

| 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                 |  |  |  |  |  |  |  |
| <b>Total Federal</b> |   |  |  |  |  |  |  |  |

| State         |   |        |         |  |  |  |  |         |
|---------------|---|--------|---------|--|--|--|--|---------|
| 354.03        | Highways and Streets  |        |         |  |  |  |  |         |
| 354.09        | Community Development   |        |         |  |  |  |  |         |
| 354.15        | Recycling / Act 101   | 13,549 |         |  |  |  |  | 13,549  |
| 354.00        | All Other State Capital and Operating Grants                      |        |         |  |  |  |  |         |
| 355.01        | Public Utility Realty Tax (PURTA)                                 | 2,334  |         |  |  |  |  | 2,334   |
| 355.02-355.03 | Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback |        | 216,778 |  |  |  |  | 216,778 |
| 355.04        | Alcoholic Beverage Licenses                                       |        |         |  |  |  |  |         |
| 355.05        | General Municipal Pension System State Aid                        | 19,422 |         |  |  |  |  | 19,422  |
| 355.07        | Foreign Fire Insurance Tax Distribution                           | 47,972 |         |  |  |  |  | 47,972  |
| 355.08        | Local Share Assessment/Gaming Proceeds                            |        |         |  |  |  |  |         |



**MAIDENCREEK TWP, BERKS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

| Governmental Funds |  |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|--|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**REVENUES**

| State              |  |         |         |  |  |  |  |         |
|--------------------|--|---------|---------|--|--|--|--|---------|
| 355.09             | Marcellus Shale Impact Fee Distribution          |         |         |  |  |  |  |         |
| 355.00             | All Other State Shared Revenues and Entitlements | 66,745  |         |  |  |  |  | 66,745  |
| 356.00             | State Payments in Lieu of Taxes                  |         |         |  |  |  |  |         |
| <b>Total State</b> |  | 150,022 | 216,778 |  |  |  |  | 366,800 |

| Local Government Units              |   |  |        |  |  |  |  |        |
|-------------------------------------|---|--|--------|--|--|--|--|--------|
| 357.03                              | Highways and Streets  |  |        |  |  |  |  |        |
| 357.00                              | All Other Local Governmental Units Capital and Operating Grants                 |  | 13,797 |  |  |  |  | 13,797 |
| 358.00                              | Local Government Unit Shared Payments for Contracted Intergovernmental Services |  |        |  |  |  |  |        |
| 359.00                              | Local Governmental Units and Authorities Payments in Lieu of Taxes              |  |        |  |  |  |  |        |
| <b>Total Local Government Units</b> |   |  | 13,797 |  |  |  |  | 13,797 |

| Charges for Service |  |        |        |  |  |  |  |        |
|---------------------|--|--------|--------|--|--|--|--|--------|
| 361.00              | General Government   | 12,713 |        |  |  |  |  | 12,713 |
| 362.00              | Public Safety  |        |        |  |  |  |  |        |
| 363.20              | Parking  |        |        |  |  |  |  |        |
| 363.00              | All Other Charges for Highway & Streets 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   |        | 12,031 |  |  |  |  | 12,031 |

**MAIDENCREEK TWP, BERKS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

| Governmental Funds |   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**REVENUES**

| Charges for Service              |                               |        |        |  |  |  |  |        |
|----------------------------------|-------------------------------|--------|--------|--|--|--|--|--------|
| 368.00                           | Airports                      |        |        |  |  |  |  |        |
| 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 |        |        |  |  |  |  |        |
| <b>Total Charges for Service</b> |                               | 12,713 | 12,031 |  |  |  |  | 24,744 |

| Unclassified Operating Revenues              |  |  |       |  |  |  |       |
|--|--|--|-------|--|--|--|-------|
| 383.00                                       | Special Assessments                              |  |       |  |  |  |       |
| 386.00                                       | Escheats (sale of personal property)             |  |       |  |  |  |       |
| 387.00                                       | Contributions and Donations from Private Sectors |  | 5,902 |  |  |  | 5,902 |
| 388.00                                       | Fiduciary Fund Pension Contributions             |  |       |  |  |  |       |
| 389.00                                       | All Other Unclassified Operating Revenues        |  |       |  |  |  |       |
| <b>Total Unclassified Operating Revenues</b> |  |  | 5,902 |  |  |  | 5,902 |

| 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                 |  |  |  |  |  |  |



## STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

| Governmental Funds |   |                     |              | Proprietary Funds |                     | Fiduciary Fund      | Total              |
|--------------------|---|---------------------|--------------|-------------------|---------------------|---------------------|--------------------|
| General Fund       | Special Revenue<br>(Including<br>State Liquid<br>Fuels) | Capital<br>Projects | Debt Service | Enterprise        | Internal<br>Service | Trust and<br>Agency | Memorandum<br>Only |

**REVENUES**

| Other Financing Sources              |                                    |           |         |  |  |  |           |
|--------------------------------------|------------------------------------|-----------|---------|--|--|--|-----------|
| 395.00                               | Refunds of Prior Year Expenditures |           |         |  |  |  |           |
| <b>Total Other Financing Sources</b> |                                    |           |         |  |  |  |           |
| <b>TOTAL REVENUES</b>                |                                    | 2,556,663 | 365,336 |  |  |  | 2,921,999 |

**EXPENDITURES**

| General Government              |  |         |       |  |  |  |         |
|---------------------------------|--|---------|-------|--|--|--|---------|
| 400.00                          | Legislative (Governing) Body                 | 108,987 | 1,437 |  |  |  | 110,424 |
| 401.00                          | Executive (Manager or Mayor)                 |         |       |  |  |  |         |
| 402.00                          | Auditing Services / Financial Administration | 4,000   |       |  |  |  | 4,000   |
| 403.00                          | Tax Collection                               | 6,114   | 976   |  |  |  | 7,090   |
| 404.00                          | Solicitor / Legal Services                   | 13,800  |       |  |  |  | 13,800  |
| 405.00                          | Secretary / Clerk                            | 10,540  |       |  |  |  | 10,540  |
| 406.00                          | Other General Government Administration      | 338     |       |  |  |  | 338     |
| 407.00                          | IT-Networking Services-Data Processing       |         |       |  |  |  |         |
| 408.00                          | Engineering Services                         | 59,163  | 4,433 |  |  |  | 63,596  |
| 409.00                          | General Government Buildings and Plant       | 45,370  |       |  |  |  | 45,370  |
| <b>Total General Government</b> |  | 248,312 | 6,846 |  |  |  | 255,158 |

**Public Safety**

|        |   |         |  |  |  |  |         |
|--------|---|---------|--|--|--|--|---------|
| 410.00 | Police                                  | 972,421 |  |  |  |  | 972,421 |
| 411.00 | Fire                                    | 175,995 |  |  |  |  | 175,995 |
| 412.00 | Ambulance / Rescue                      | 9,000   |  |  |  |  | 9,000   |
| 413.00 | UCC and Code Enforcement                | 156,423 |  |  |  |  | 156,423 |
| 414.00 | Planning and Zoning                     | 4,125   |  |  |  |  | 4,125   |
| 415.00 | Emergency Management and Communications | 39,264  |  |  |  |  | 39,264  |

MAIDENCREEK TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

| Governmental Funds |   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

### EXPENDITURES

| Public Safety              |                                      |           |  |  |  |  |  |           |
|----------------------------|--------------------------------------|-----------|--|--|--|--|--|-----------|
| 416.00                     | Militia and Armories                 |           |  |  |  |  |  |           |
| 417.00                     | Examination of Licensed Occupations  |           |  |  |  |  |  |           |
| 418.00                     | Public Scales (weights and measures) |           |  |  |  |  |  |           |
| 419.00                     | Other Public Safety                  | 96        |  |  |  |  |  | 96        |
| <b>Total Public Safety</b> |                                      | 1,357,324 |  |  |  |  |  | 1,357,324 |

| Health and Human Services              |                           |       |  |  |  |  |  |       |
|--|---------------------------|-------|--|--|--|--|--|-------|
| 420.00-425.00                          | Health and Human Services | 1,000 |  |  |  |  |  | 1,000 |
| <b>Total Health and Human Services</b> |                           | 1,000 |  |  |  |  |  | 1,000 |

| Public Works - Sanitation              |   |         |     |  |  |  |  |         |
|--|---|---------|-----|--|--|--|--|---------|
| 426.00                                 | Recycling Collection and Disposal             | 128,220 |     |  |  |  |  | 128,220 |
| 427.00                                 | Solid Waste Collection and Disposal (garbage) | 9,587   | 673 |  |  |  |  | 10,260  |
| 428.00                                 | Weed Control                                  |         |     |  |  |  |  |         |
| 429.00                                 | Wastewater / Sewage Treatment and Collection  |         |     |  |  |  |  |         |
| <b>Total Public Works - Sanitation</b> |   | 137,807 | 673 |  |  |  |  | 138,480 |

| Public Works - Highways and Streets |                                   |        |         |  |  |  |  |         |
|-------------------------------------|-----------------------------------|--------|---------|--|--|--|--|---------|
| 430.00                              | General Services - Administration | 39,298 | 465     |  |  |  |  | 39,763  |
| 431.00                              | Cleaning of Streets and Gutters   |        |         |  |  |  |  |         |
| 432.00                              | Winter Maintenance - Snow Removal | 16,520 | 142,844 |  |  |  |  | 159,364 |
| 433.00                              | Traffic Control Devices           | 15,274 | 2,565   |  |  |  |  | 17,839  |
| 434.00                              | Street Lighting                   | 44,158 | 63,052  |  |  |  |  | 107,210 |
| 435.00                              | Sidewalks and Crosswalks          |        |         |  |  |  |  |         |
| 436.00                              | Storm Sewers and Drains           |        |         |  |  |  |  |         |

MAIDENCREEK TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

| Governmental Funds |   |                     |              | Proprietary Funds |                     | Fiduciary Fund      | Total              |
|--------------------|---|---------------------|--------------|-------------------|---------------------|---------------------|--------------------|
| General Fund       | Special Revenue<br>(Including<br>State Liquid<br>Fuels) | Capital<br>Projects | Debt Service | Enterprise        | Internal<br>Service | Trust and<br>Agency | Memorandum<br>Only |

### EXPENDITURES

| Public Works - Highways and Streets              |  |                |                |  |  |  |  |                |
|--|--|----------------|----------------|--|--|--|--|----------------|
| 437.00   | Repairs of Tools and Machinery               | 42,535         | 11,725         |  |  |  |  | 54,260         |
| 438.00   | Maintenance and Repairs of Roads and Bridges | 100,518        | 8,600          |  |  |  |  | 109,118        |
| 439.00   | Highway Construction and Rebuilding Projects |                |                |  |  |  |  |                |
| <b>Total Public Works - Highways and Streets</b> |  | <b>258,303</b> | <b>229,251</b> |  |  |  |  | <b>487,554</b> |

| 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 | 2,790        |  |  |  |  |  | 2,790        |
| 447.00                                      | Transit System                |              |  |  |  |  |  |              |
| 448.00                                      | Water System                  |              |  |  |  |  |  |              |
| 449.00                                      | Water Transport and Terminals |              |  |  |  |  |  |              |
| <b>Total Other Public Works Enterprises</b> |                               | <b>2,790</b> |  |  |  |  |  | <b>2,790</b> |

| Culture and Recreation |                                   |        |         |  |  |  |  |         |
|------------------------|-----------------------------------|--------|---------|--|--|--|--|---------|
| 451.00                 | Culture-Recreation Administration |        | 3,500   |  |  |  |  | 3,500   |
| 452.00                 | Participant Recreation            |        |         |  |  |  |  |         |
| 453.00                 | Spectator Recreation              |        |         |  |  |  |  |         |
| 454.00                 | Parks                             | 39,254 | 128,665 |  |  |  |  | 167,919 |
| 455.00                 | Shade Trees                       |        |         |  |  |  |  |         |
| 456.00                 | Libraries                         |        |         |  |  |  |  |         |

**MAIDENCREEK TWP, BERKS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

| Governmental Funds |   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**EXPENDITURES**

| <b>Culture and Recreation</b>       |                                  |        |         |  |  |  |  |         |
|-------------------------------------|----------------------------------|--------|---------|--|--|--|--|---------|
| 457.00                              | Civil and Military Celebrations  |        |         |  |  |  |  |         |
| 458.00                              | Senior Citizens' Centers         |        |         |  |  |  |  |         |
| 459.00                              | All Other Culture and Recreation |        | 26,525  |  |  |  |  | 26,525  |
| <b>Total Culture and Recreation</b> |                                  | 39,254 | 158,690 |  |  |  |  | 197,944 |

| <b>Community Development</b>       |                                   |  |  |  |  |  |  |  |
|------------------------------------|-----------------------------------|--|--|--|--|--|--|--|
| 461.00                             | Conservation of Natural Resources |  |  |  |  |  |  |  |
| 462.00                             | Community Development and Housing |  |  |  |  |  |  |  |
| 463.00                             | Economic Development              |  |  |  |  |  |  |  |
| 464.00                             | Economic Opportunity              |  |  |  |  |  |  |  |
| 465-469                            | All Other Community Development   |  |  |  |  |  |  |  |
| <b>Total Community Development</b> |                                   |  |  |  |  |  |  |  |

| <b>Debt Service</b>       |   |       |  |  |  |  |  |       |
|---------------------------|---|-------|--|--|--|--|--|-------|
| 471.00                    | Debt Principal (short-term and long-term) | 3,758 |  |  |  |  |  | 3,758 |
| 472.00                    | Debt Interest (short-term and long-term)  |       |  |  |  |  |  |       |
| 475.00                    | Fiscal Agent Fees                         | 350   |  |  |  |  |  | 350   |
| <b>Total Debt Service</b> |   | 4,108 |  |  |  |  |  | 4,108 |

| <b>Employer Paid Benefits and Withholding Items</b> |   |        |  |  |  |  |  |        |
|---|---|--------|--|--|--|--|--|--------|
| 481.00  | Employer Paid Withholding Taxes and Unemployment Compensation | 30,883 |  |  |  |  |  | 30,883 |
| 482.00  | Judgments and Losses  |        |  |  |  |  |  |        |
| 483.00  | Pension / Retirement Fund Contributions                       | 33,940 |  |  |  |  |  | 33,940 |
| 484.00  | Worker Compensation Insurance                                 | 53,366 |  |  |  |  |  | 53,366 |

## STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

| Governmental Funds |   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service | Trust and Agency | Memorandum Only |

**EXPENDITURES****Employer Paid Benefits and Withholding Items**

|   |                                |         |  |  |  |  |  |         |
|---|--------------------------------|---------|--|--|--|--|--|---------|
| 487.00  | Other Group Insurance Benefits | 8,113   |  |  |  |  |  | 8,113   |
| <b>Total Employer Paid Benefits and Withholding Items</b> |                                | 126,302 |  |  |  |  |  | 126,302 |

**Insurance**

|                        |                                 |         |  |  |  |  |  |         |
|------------------------|---------------------------------|---------|--|--|--|--|--|---------|
| 486.00                 | Insurance, Casualty, and Surety | 164,805 |  |  |  |  |  | 164,805 |
| <b>Total Insurance</b> |                                 | 164,805 |  |  |  |  |  | 164,805 |

**Unclassified Operating Expenditures**

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
| 488.00   | Fiduciary Fund Benefits and Refunds Paid |  |  |  |  |  |  |  |
| 489.00   | All Other Unclassified Expenditures      |  |  |  |  |  |  |  |
| <b>Total Unclassified Operating Expenditures</b> |  |  |  |  |  |  |  |  |

**Other Financing Uses**

|                                   |                               |  |  |  |  |  |  |  |
|-----------------------------------|-------------------------------|--|--|--|--|--|--|--|
| 491.00                            | Refund of Prior Year Revenues |  |  |  |  |  |  |  |
| 492.00                            | Interfund Operating Transfers |  |  |  |  |  |  |  |
| 493.00                            | All Other Financing Uses      |  |  |  |  |  |  |  |
| <b>Total Other Financing Uses</b> |                               |  |  |  |  |  |  |  |

**TOTAL EXPENDITURES**

|           |         |  |  |  |  |  |  |           |
|-----------|---------|--|--|--|--|--|--|-----------|
| 2,340,005 | 395,460 |  |  |  |  |  |  | 2,735,465 |
|-----------|---------|--|--|--|--|--|--|-----------|

**EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES**

|         |         |  |  |  |  |  |  |         |
|---------|---------|--|--|--|--|--|--|---------|
| 216,658 | -30,124 |  |  |  |  |  |  | 186,534 |
|---------|---------|--|--|--|--|--|--|---------|

## MAIDENCREEK TWP

December 31, 2013

## 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)<br>Capital Lease (C)<br>Lease Rental (L)<br>Note (N) | Issue Year<br>(yyyy) | Maturity<br>Year<br>(yyyy) | Original<br>Amount of<br>Issue | Outstanding<br>Beginning of<br>Year (1) | Principal<br>Incurred<br>This Year | Principal<br>Paid This<br>Year | Current Year<br>Accretion on<br>Compound Interest<br>Bonds | Outstanding at<br>Year End (1) | Plus (less)<br>Unamortized<br>Premium<br>(Discount) | Total<br>Balance |
|---|---|----------------------|----------------------------|--------------------------------|---|------------------------------------|--------------------------------|--|--------------------------------|---|------------------|
| <b>General Obligation Bonds and Notes</b> |   |                      |                            |                                |   |                                    |                                |  |                                |   |                  |
| Susquehanna Commercial Finance            | Capital Leases  | 2013                 | 2018                       | 120,535                        | 120,535                                 |                                    |                                |  | 120,535                        |   | 120,535          |
| Powerco, Inc                              | Capital Leases  | 2013                 | 2015                       | 45,095                         | 45,095                                  |                                    | 3,758                          |  | 41,337                         |   | 41,337           |
| <b>Revenue Bonds and Notes</b>            |   |                      |                            |                                |   |                                    |                                |  |                                |   |                  |
| <b>Lease Rental Debt</b>                  |   |                      |                            |                                |   |                                    |                                |  |                                |   |                  |
| <b>Other</b>                              |   |                      |                            |                                |   |                                    |                                |  |                                |   |                  |

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

161,872

Capitalized lease obligations

0

Net debt

161,872



**MAIDENCREEK TWP, BERKS County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2013

| Category                          | Capital Purchases | Capital Construction | Total   |
|-----------------------------------|-------------------|----------------------|---------|
| Community Development             |                   |                      |         |
| Electric                          |                   |                      |         |
| Fire                              |                   |                      |         |
| Gas System                        |                   |                      |         |
| General Government                | 165,335           |                      | 165,335 |
| Health                            |                   |                      |         |
| Housing                           |                   |                      |         |
| Libraries                         |                   |                      |         |
| Mass Transit                      |                   |                      |         |
| Parks                             |                   |                      |         |
| Police                            |                   |                      |         |
| Recreation                        |                   |                      |         |
| Sewer                             |                   |                      |         |
| Solid Waste                       |                   |                      |         |
| Streets / Highways                |                   |                      |         |
| Water                             |                   |                      |         |
| Other: _____                      |                   |                      |         |
| <b>TOTAL CAPITAL EXPENDITURES</b> | 165,335           |                      | 165,335 |

**EMPLOYEE COMPENSATION**

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

359,675

*Maidencreek Township*  
*Board of Supervisors*

P.O. Box 319  
BLANDON, PA 19510



PHONE (610) 926-4920  
FAX (610) 926-6314

March 25, 2014

Kosmerl & Co., P.C  
535 North 5<sup>th</sup> Street  
Reading, PA 19601-3005

We are providing this letter in connection with your audit of the Commonwealth of Pennsylvania Audit and Financial Report Form DCED-CLGS-30 (the report) of Maidencreek Township (the Township) as of December 31, 2013 for the purpose of expressing an opinion as to whether the Form DCED-CLGS-30 presents fairly, in all material respects, the assets, liabilities and fund balances, and revenues and expenditures, of Maidencreek Township in compliance with the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania on the cash basis of accounting as included in the Pennsylvania Form DCED. We confirm that we are responsible for the fair presentation in the Form DCED-CLGS-30 of the assets, liabilities and fund balances, and revenues and expenditures in conformity with the cash basis of accounting. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of March 25, 2014, the following representations made to you during your audit.

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2013, including our responsibility for the preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in compliance with the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania except for the exclusion of the General Fixed Assets Account Group.



- We acknowledge our responsibility 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 fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates are reasonable.
- Related party relationships and transactions, including revenue, expenditure/expense, loans, transfers, leading arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in compliance with the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.
- All events subsequent to the date of the financial statements and for which the Department of Community and Economic Development of the Commonwealth of Pennsylvania requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to December 31, 2013 and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- We believe the effects of the uncorrected Form DCED-CLGS-30 misstatements summarized in the attached schedule (if applicable) are immaterial, both individually and in the aggregate, to the Form DCED-CLGS-30 taken as a whole.
- We are in agreement with the adjusting journal entries you have recommended.
- The Township did not have large dollar amount payables that would normally have been paid but were unpaid at year end.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the Department of Community and Economic Development of the Commonwealth of Pennsylvania.
- Guarantees whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- Minutes of the meetings of Maiden Creek Township or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government-specific**

- We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

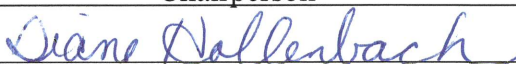
- The Township has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or equity.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the Form DCED-CLGS-30. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for the Form DCED-CLGS-30.
- The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The Form DCED-CLGS-30 includes all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations. in compliance with the accounting practices prescribed by Department of Community and Economic Development of the Commonwealth of Pennsylvania and the Government Accounting Standards Board. During the year ended December 31, 2013, the Township had no component units and the Township was not a component unit of another governmental entity.
- The Form DCED-CLGS-30 properly classifies all funds and activities.
- Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- Expenses have been appropriately classified in or allocated to functions and programs in the Form DCED-CLGS-30 and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the Form DCED-CLGS-30.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure assets, are not capitalized
- We have appropriately disclosed the Township's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- We have evaluated the Township's ability to continue as a going concern and have included appropriate disclosure, as necessary, in the Form DCED-CLGS-30.
- As of December 31, 2013 the Township had no construction commitments or any other pending unfulfilled commitments.
- In regards to other non-attest services performed by you, we have:
  - Made all management decisions and performed all management functions,
  - Designated an individual with suitable skill, knowledge, or experience to oversee the services,
  - Evaluated the adequacy and results of the services performed,
  - Accepted responsibility for the results of the services, and
  - Established and maintained internal controls, including monitoring ongoing activities.

To the best of our knowledge and belief, no events have occurred subsequent to December 31, 2013 and through the date of this letter that would require adjustment to or disclosure in the aforementioned DCED-CLGS-30.

Signed: 

Title: Chairperson

Signed: 

Title: Township Manager