



Herbein + Company, Inc.
2763 Century Boulevard
Reading, PA 19610
P: 610.378.1175
F: 610.378.0999
www.herbein.com

March 24, 2020

To the Board of Supervisors
Maidencreek Township

We have audited the financial statements prepared in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania of Maidencreek Township for the year ended December 31, 2019. 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. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 18, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. Maiden Creek Township adopted accounting policies related to the reporting of fiduciary activities by implementing Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. We noted no transactions entered into by Maiden Creek 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.

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 to communicate them to the appropriate level of management. The attached schedule summarizes all adjustments that were identified during the audit process and corrected by management. Some of these adjustments were identified internally by management and provided to us. The remaining adjustments were detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements 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 24, 2020.

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 Maiden Creek Township's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, 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 Maiden Creek 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.



Restriction on Use

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

Very truly yours,

Herbein + Company, Inc.

Herbein + Company, Inc.

**2019 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

061085 MAIDENCREEK TWP, BERKS COUNTY

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2019

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits	72,626									72,626
Total Liabilities and Other Credits		73,736									73,736
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,033,132	268,651					1,274,826			2,576,609
291-299	Other Equity										
Total Fund and Account Group Equity		1,033,132	268,651					1,274,826			2,576,609
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											2,650,345

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	661,989	191,543					853,532
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	368,952						368,952
310.20	Earned Income Taxes / Wage Taxes	1,365,418						1,365,418
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	160,214						160,214
310.60	Amusement / Admission Taxes	6,873						6,873
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,563,446	191,543					2,754,989

Licenses and Permits								
320-322	All Other Licenses and Permits	275						275
321.80	Cable Television Franchise Fees	89,852						89,852
Total Licenses and Permits		90,127						90,127

Fines and Forfeits								
330-332	Fines and Forfeits	36,115						36,115
Total Fines and Forfeits		36,115						36,115

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	17,112	1,897					245,433	264,442
342.00	Rents and Royalties	32,906							32,906
Total Interest, Rents and Royalties		50,018	1,897					245,433	297,348

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

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	119,260						119,260
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,358						2,358
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		332,425					332,425
355.04	Alcoholic Beverage Licenses	1,050						1,050
355.05	General Municipal Pension System State Aid	34,311						34,311
355.07	Foreign Fire Insurance Tax Distribution	54,397						54,397
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		211,376	332,425					543,801

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

Charges for Service								
361.00	General Government	957						957
362.00	Public Safety	132,938						132,938
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation		5,050					5,050
368.00	Airports							

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		133,895	5,050					138,945

Unclassified Operating Revenues							
383.00	Special Assessments						
386.00	Escheats (sale of personal property)						
387.00	Contributions and Donations from Private Sectors	728					728
388.00	Fiduciary Fund Pension Contributions					34,311	34,311
389.00	All Other Unclassified Operating Revenues						
Total Unclassified Operating Revenues		728				34,311	35,039

Other Financing Sources							
391.00	Proceeds of General Fixed Asset Disposition		3,365				3,365
392.00	Interfund Operating Transfers						
393.00	Proceeds of General Long-Term Debt						
394.00	Proceeds of Short Term-Debt						

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	2,560						2,560
Total Other Financing Sources		2,560	3,365					5,925

TOTAL REVENUES	3,088,265	534,280				279,744	3,902,289
-----------------------	-----------	---------	--	--	--	---------	-----------

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	47,167						47,167
401.00	Executive (Manager or Mayor)	77,400						77,400
402.00	Auditing Services / Financial Administration	5,400						5,400
403.00	Tax Collection	7,445						7,445
404.00	Solicitor / Legal Services	23,657						23,657
405.00	Secretary / Clerk	54,062						54,062
406.00	Other General Government Administration	44						44
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	57,956						57,956
409.00	General Government Buildings and Plant	49,327						49,327
Total General Government		322,458						322,458

Public Safety								
410.00	Police	1,187,478						1,187,478
411.00	Fire	54,397	172,991					227,388
412.00	Ambulance / Rescue	2,000						2,000
413.00	UCC and Code Enforcement	125,812						125,812

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

EXPENDITURES

Public Safety								
414.00	Planning and Zoning	4,137						4,137
415.00	Emergency Management and Communications	18,799						18,799
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	1,399						1,399
Total Public Safety		1,394,022	172,991					1,567,013

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	133,258						133,258
427.00	Solid Waste Collection and Disposal (garbage)	4,616						4,616
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		137,874						137,874

Public Works - Highways and Streets								
430.00	General Services - Administration	144,507						144,507
431.00	Cleaning of Streets and Gutters		5,100					5,100
432.00	Winter Maintenance -- Snow Removal	484	26,002					26,486
433.00	Traffic Control Devices	17,595						17,595
434.00	Street Lighting	99,617						99,617

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	12,049						12,049
437.00	Repairs of Tools and Machinery	43,645						43,645
438.00	Maintenance and Repairs of Roads and Bridges	304,436	252,918					557,354
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		622,333	284,020					906,353

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

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation		23,996					23,996
453.00	Spectator Recreation							
454.00	Parks	39,945	242					40,187

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations		337					337
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	11,658						11,658
Total Culture and Recreation		51,603	24,575					76,178

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing	1,709						1,709
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		1,709						1,709

Debt Service								
471.00	Debt Principal (short-term and long-term)	24,913						24,913
472.00	Debt Interest (short-term and long-term)	2,570						2,570
475.00	Fiscal Agent Fees							
Total Debt Service		27,483						27,483

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	38,398						38,398
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	34,311						34,311

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	19,531						19,531
487.00	Other Group Insurance Benefits	1,375						1,375
Total Employer Paid Benefits and Withholding Items		93,615						93,615

Insurance								
486.00	Insurance, Casualty, and Surety	162,395						162,395
Total Insurance		162,395						162,395

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						18,864	18,864
489.00	All Other Unclassified Expenditures						5,891	5,891
Total Unclassified Operating Expenditures							24,755	24,755

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

TOTAL EXPENDITURES	2,813,492	481,586					24,755	3,319,833
---------------------------	-----------	---------	--	--	--	--	--------	-----------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	274,773	52,694					254,989	582,456
---	---------	--------	--	--	--	--	---------	---------

MAIDENCREEK TWP

December 31, 2019

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Susquehanna Commercial Finance	Capital Leases	2014	2019	79,250	17,223		17,223		0		0
Santander Bank, N.A.	Capital Leases	2018	2023	41,943	41,943		7,690		34,253		34,253
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	34,253
Capitalized lease obligations	0
Net debt	34,253

MAIDENCREEK TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks	23,996		23,996
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	100,742		100,742
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	124,738		124,738

EMPLOYEE COMPENSATION

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

451,926

December 31, 2019

NOTES / COMMENTS

The fiduciary funds fund balance does not roll forward from the 2018 DCED filing. The fund balance reported on the 2018 DCED report was \$0, while the actual ending fund balance should have been \$1,019,837. This relates to the Township's nonuniformed defined contribution pension plan, which meets the criteria of a fiduciary fund, not previously being reported.