

MAIDENCREEK TOWNSHIP

**ANNUAL AUDIT AND
FINANCIAL REPORT (DCED-CLGS-30)**

Year Ended December 31, 2020





Herbein + Company, Inc.
2763 Century Boulevard
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March 22, 2021

To the Board of Supervisors
Maidencreek Township

In planning and performing our audit of the financial statements of Maidencreek Township for the year ended December 31, 2020, we considered the Township's internal control in order to determine our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain items involving operational matters that are presented for your consideration. This letter does not affect our report dated March 22, 2021, on the financial statements of Maidencreek Township.

Internal Controls

We wanted to take this opportunity to remind the Township of the importance of continually revisiting and revising internal controls in place. We recommend the Township perform an internal risk assessment periodically to ensure that no one person has custody of the assets, can authorize or approve related transactions to the assets, and can record related transactions for those assets. This should be performed for all key transaction areas.

Employment Agreement Terms and Policies

When establishing pay rates and benefits in employment agreements it is important that contracts are specific with job duties clearly defined as well as requirements for stipends or any other additional pays. The Township's personnel rules and regulations resolution was last updated in 2010 and we recommend revisiting these policies for any changes or policy clarifications deemed necessary. It is noted that there were concerns brought to our attention regarding an employee's pay not being in line with the established contract. We recommend addressing any personnel contract concerns with your solicitor and revise any agreements as needed for areas that may be open to interpretation.

We would be pleased to discuss these comments in further detail or to assist you in implementing the recommendations. We would like to thank you and your staff for all of your assistance in this year's audit and look forward to working with you in the future.

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INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors
Maidencreek Township
Blandon, Pennsylvania**

President Judge of the Court of Common Pleas

Secretary of the Department of Community and Economic Development

We have audited the accompanying balance sheet - modified cash basis of Maidencreek Township ("the Township"), Pennsylvania, as of December 31, 2020, and the related statement of revenues and expenditures - modified cash basis, debt statement - modified cash basis, and statement of capital expenditures - modified cash basis for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements 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 fraud or error.

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 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 opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the modified cash basis - financial position of Maidencreek Township as of December 31, 2020, and the modified cash basis - revenues, expenditures, and changes in financial position, modified cash basis - debt statement and modified cash basis - capital expenditures for the year then ended in accordance with the financial reporting provisions of the modified cash basis of accounting.

Emphasis of Matters

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when a liability is incurred. The accompanying Annual Financial Report was prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or government-wide statements, and is not intended to be a complete presentation of the Township's assets, liabilities, revenues, and expenditures. Our opinion is not modified with respect to these matters.

Restrictions on Use

This report is intended solely for the information and use of the Board of Supervisors, President Judge of the Court of the Common Pleas, and the Secretary of the Community and Economic Development, and is not intended to be, and should not be, used by anyone other than these specified parties.

Herbein + Company, Inc.

Reading, Pennsylvania
March 22, 2021

Received by DCED:
Approved by DCED:

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

**2020 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

061085 MAIDENCREEK TWP, BERKS COUNTY

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2020

		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	57,716									57,716
Total Liabilities and Other Credits		59,962									59,962
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	878,620	293,208					1,469,052			2,640,880
291-299	Other Equity										
Total Fund and Account Group Equity		878,620	293,208					1,469,052			2,640,880
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											2,700,842

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	660,967	192,720					853,687
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	172,718						172,718
310.20	Earned Income Taxes / Wage Taxes	1,361,593						1,361,593
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	158,531						158,531
310.60	Amusement / Admission Taxes	8,551						8,551
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,362,360	192,720					2,555,080

Licenses and Permits								
320-322	All Other Licenses and Permits	25						25
321.80	Cable Television Franchise Fees	88,415						88,415
Total Licenses and Permits		88,440						88,440

Fines and Forfeits								
330-332	Fines and Forfeits	29,050						29,050
Total Fines and Forfeits		29,050						29,050

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	5,780	2,016				185,389	193,185
342.00	Rents and Royalties	33,178						33,178
Total Interest, Rents and Royalties		38,958	2,016				185,389	226,363

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	14,037						14,037
354.00	All Other State Capital and Operating Grants	3,779						3,779
355.01	Public Utility Realty Tax (PURTA)	2,699						2,699
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		323,909					323,909
355.04	Alcoholic Beverage Licenses	1,050						1,050
355.05	General Municipal Pension System State Aid	33,357						33,357
355.07	Foreign Fire Insurance Tax Distribution	54,582						54,582
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, 2020

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		109,504	323,909					433,413

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	6,828						6,828
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		6,828						6,828

Charges for Service								
361.00	General Government	1,976						1,976
362.00	Public Safety	58,823						58,823
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		3,400					3,400
368.00	Airports							

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		60,799	3,400					64,199

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	126	10					136
388.00	Fiduciary Fund Pension Contributions					33,357		33,357
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		126	10			33,357		33,493

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							

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	363					363
Total Other Financing Sources		363					363

TOTAL REVENUES	2,696,428	522,055					218,746	3,437,229
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	56,123					56,123
401.00	Executive (Manager or Mayor)	84,010					84,010
402.00	Auditing Services / Financial Administration	8,720					8,720
403.00	Tax Collection	7,427					7,427
404.00	Solicitor / Legal Services	27,494					27,494
405.00	Secretary / Clerk	41,868					41,868
406.00	Other General Government Administration	177					177
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services	53,366					53,366
409.00	General Government Buildings and Plant	33,858					33,858
Total General Government		313,043					313,043

Public Safety							
410.00	Police	1,232,737					1,232,737
411.00	Fire	54,582	148,049				202,631
412.00	Ambulance / Rescue	30,000					30,000
413.00	UCC and Code Enforcement	86,759					86,759

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	11,357						11,357
415.00	Emergency Management and Communications	20,180						20,180
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	1,578						1,578
Total Public Safety		1,437,193	148,049					1,585,242

Health and Human Services								
420.00-425.00	Health and Human Services	3,250						3,250
Total Health and Human Services		3,250						3,250

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	131,081						131,081
427.00	Solid Waste Collection and Disposal (garbage)	7,887						7,887
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		138,968						138,968

Public Works - Highways and Streets								
430.00	General Services - Administration	48,159						48,159
431.00	Cleaning of Streets and Gutters	5,400						5,400
432.00	Winter Maintenance – Snow Removal	49	15,924					15,973
433.00	Traffic Control Devices	24,224						24,224
434.00	Street Lighting	108,465						108,465

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	17,847						17,847
437.00	Repairs of Tools and Machinery	98,208						98,208
438.00	Maintenance and Repairs of Roads and Bridges	335,773						335,773
439.00	Highway Construction and Rebuilding Projects		328,795					328,795
Total Public Works - Highways and Streets		638,125	344,719					982,844

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		4,720					4,720
453.00	Spectator Recreation							
454.00	Parks	48,000						48,000

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		10				10
458.00	Senior Citizens' Centers						
459.00	All Other Culture and Recreation	11,621					11,621
Total Culture and Recreation		59,621	4,730				64,351

Community Development							
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						
Total Community Development							

Debt Service							
471.00	Debt Principal (short-term and long-term)	8,024					8,024
472.00	Debt Interest (short-term and long-term)	1,490					1,490
475.00	Fiscal Agent Fees						
Total Debt Service		9,514					9,514

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	37,378					37,378
482.00	Judgments and Losses						
483.00	Pension / Retirement Fund Contributions	33,357					33,357

MAIDENCREEK TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	19,636						19,636
487.00	Other Group Insurance Benefits	1,625						1,625
Total Employer Paid Benefits and Withholding Items		91,996						91,996

Insurance

486.00	Insurance, Casualty, and Surety	159,230						159,230
Total Insurance		159,230						159,230

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						18,615	18,615
489.00	All Other Unclassified Expenditures						5,905	5,905
Total Unclassified Operating Expenditures							24,520	24,520

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	2,850,940	497,498					24,520	3,372,958
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-154,512	24,557					194,226	64,271
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MAIDENCREEK TWP

December 31, 2020

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											
Santander Bank, N.A.	Capital Leases	2018	2023	41,943	34,253		8,024		26,229		26,229
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	26,229
Capitalized lease obligations	0
Net debt	26,229

MAIDENCREEK TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

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

EMPLOYEE COMPENSATION

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

463,171

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the:
Governing Body of the Municipality
President Judge of the Court of Common Pleas
Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the MAIDENCREEK TWP have audited, adjusted and settled the various funds and account groups of the MAIDENCREEK TWP for the year ended December 31, 2020. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

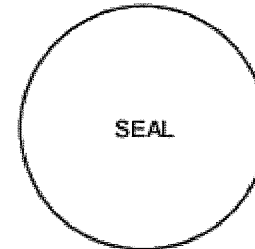
These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of MAIDENCREEK TWP for the year ended December 31, 2020, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed: Linda Hlmeback Appointed Auditor/CPA

Subscribed and sworn to before me this 1 day of January, 1.



Signed: _____

Witness (Controller)/Auditor (Auditors)

December 31, 2020

NOTES / COMMENTS