



***MAIDENCREEK TOWNSHIP***

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

**Year Ended December 31, 2022**



## 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**

### **Opinion**

We have audited the accompanying modified cash basis financial statements of Maidencreek Township (“the Township”), Pennsylvania, which comprise the balance sheet as of December 31, 2022, and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of Maidencreek Township as of December 31, 2022, and the changes in the modified cash basis financial position and related debt statement and statement of capital expenditures for the year then ended in accordance with the financial reporting provisions of the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maidencreek Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

The financial statements are prepared on the modified cash basis of accounting within the format 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. Consequently, revenues are recognized when received rather than when earned and expenditures are recognized when paid rather than when the liability is incurred. In addition, the Township does not include footnote disclosures. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting within the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maiden Creek Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Maiden Creek Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maiden Creek Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Restriction on Use**

This report is intended solely for the information and use of management, the Board of Supervisors, President Judge of the Court of the Common Pleas, and the Secretary of the Department of 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 30, 2023**

**2022 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**061085 MAIDENCREEK TWP, BERKS COUNTY**



## MAIDENCREEK TWP, BERKS County

## BALANCE SHEET

December 31, 2022

		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										
240-259	Current Portion of Long-Term Debt and Other Credits	73,474									73,474
<b>Total Liabilities and Other Credits</b>		74,213	5,178								79,391
<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	1,531,969	329,860					1,440,226			3,302,055
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		1,531,969	329,860					1,440,226			3,302,055
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											3,381,446

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

December 31, 2022

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	655,662	190,692					846,354
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	252,547						252,547
310.20	Earned Income Taxes / Wage Taxes	1,579,194						1,579,194
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	157,262						157,262
310.60	Amusement / Admission Taxes	7,115						7,115
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		2,651,780	190,692					2,842,472

**Licenses and Permits**

320-322	All Other Licenses and Permits	10,115						10,115
321.80	Cable Television Franchise Fees	80,914						80,914
<b>Total Licenses and Permits</b>		91,029						91,029

**Fines and Forfeits**

330-332	Fines and Forfeits	24,081						24,081
<b>Total Fines and Forfeits</b>		24,081						24,081



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

December 31, 2022

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**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	23,627	1,653					25,280
342.00	Rents and Royalties	33,027						33,027
<b>Total Interest, Rents and Royalties</b>		56,654	1,653					58,307

<b>Federal</b>								
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	499,164						499,164
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>		499,164						499,164

<b>State</b>								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,676						2,676
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		301,041					301,041
355.04	Alcoholic Beverage Licenses	1,250						1,250
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	59,995						59,995
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, 2022

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							
<b>Total State</b>		63,921	301,041					364,962

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							
<b>Total Local Government Units</b>								

Charges for Service								
361.00	General Government	9,731						9,731
362.00	Public Safety	118,273						118,273
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	329						329
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation		1,725					1,725
368.00	Airports							

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

December 31, 2022

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							
<b>Total Charges for Service</b>		128,333	1,725					130,058

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	500	10					510
388.00	Fiduciary Fund Pension Contributions					12,000		12,000
389.00	All Other Unclassified Operating Revenues							
<b>Total Unclassified Operating Revenues</b>		500	10			12,000		12,510

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, 2022

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	517						517
<b>Total Other Financing Sources</b>		517						517

**TOTAL REVENUES**

3,515,979	495,121					12,000	4,023,100
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	9,279						9,279
401.00	Executive (Manager or Mayor)	51,557						51,557
402.00	Auditing Services / Financial Administration	9,000						9,000
403.00	Tax Collection	7,490						7,490
404.00	Solicitor / Legal Services	78,204						78,204
405.00	Secretary / Clerk	31,677						31,677
406.00	Other General Government Administration	68,589						68,589
407.00	IT-Networking Services-Data Processing	13,099						13,099
408.00	Engineering Services	93,508						93,508
409.00	General Government Buildings and Plant	29,846						29,846
<b>Total General Government</b>		392,249						392,249

**Public Safety**

410.00	Police	1,298,566						1,298,566
411.00	Fire	59,995	119,773					179,768
412.00	Ambulance / Rescue	48,000						48,000
413.00	UCC and Code Enforcement	147,369						147,369

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

December 31, 2022

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**

<b>Public Safety</b>								
414.00	Planning and Zoning	80,838						80,838
415.00	Emergency Management and Communications	20,238						20,238
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		1,655,006	119,773					1,774,779

<b>Health and Human Services</b>								
420.00-425.00	Health and Human Services	2,000						2,000
<b>Total Health and Human Services</b>		2,000						2,000

<b>Public Works - Sanitation</b>								
426.00	Recycling Collection and Disposal	173,259						173,259
427.00	Solid Waste Collection and Disposal (garbage)	9,078						9,078
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>		182,337						182,337

<b>Public Works - Highways and Streets</b>								
430.00	General Services - Administration	78,650						78,650
431.00	Cleaning of Streets and Gutters	32						32
432.00	Winter Maintenance – Snow Removal	4,912	28,685					33,597
433.00	Traffic Control Devices	13,731						13,731
434.00	Street Lighting	99,937						99,937

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

December 31, 2022

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**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	21,576						21,576
437.00	Repairs of Tools and Machinery	121,182						121,182
438.00	Maintenance and Repairs of Roads and Bridges	499,333	223,309					722,642
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		839,353	251,994					1,091,347

<b>Other Public Works Enterprises</b>								
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	852						852
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		852						852

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration	26,593						26,593
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	37,418	140					37,558

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

December 31, 2022

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**

<b>Culture and Recreation</b>								
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							
<b>Total Culture and Recreation</b>		64,011	150					64,161

<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)	38,218						38,218
472.00	Debt Interest (short-term and long-term)	2,471						2,471
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		40,689						40,689

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	42,036						42,036
482.00	Judgments and Losses						283,690	283,690
483.00	Pension / Retirement Fund Contributions	12,000						12,000

MAIDENCREEK TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	23,805						23,805
487.00	Other Group Insurance Benefits	156						156
<b>Total Employer Paid Benefits and Withholding Items</b>		77,997					283,690	361,687

Insurance								
486.00	Insurance, Casualty, and Surety	161,832						161,832
<b>Total Insurance</b>		161,832						161,832

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						18,726	18,726
489.00	All Other Unclassified Expenditures						5,905	5,905
<b>Total Unclassified Operating Expenditures</b>							24,631	24,631

Other Financing Uses								
491.00	Refund of Prior Year Revenues	1,532						1,532
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		1,532						1,532

<b>TOTAL EXPENDITURES</b>	3,417,858	371,917					308,321	4,098,096
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	98,121	123,204					-296,321	-74,996
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## MAIDENCREEK TWP

December 31, 2022

## 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
<b>General Obligation Bonds and Notes</b>											
Santander Bank, N.A.	Capital Leases	2018	2023	41,943	17,856		8,738		9,118		9,118
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
2021 Ford F550 with equipment	Capital Leases	2021	2024	90,113	90,113		29,480		60,633		60,633
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	69,751
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	69,751

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

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks	14,000		14,000
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	50,500		50,500
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	64,500		64,500

**EMPLOYEE COMPENSATION**

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

478,054

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**Independent Public Accountant/Certified Public Accountant Submission Page**  
**Opinion page was provided in lieu of signature page.**

**SIGNATURE AND VERIFICATION**

Signed: Linda Himeback Appointed Auditor/CPA

December 31, 2022

**NOTES / COMMENTS**

March 28, 2023

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, 2022. 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 August 12, 2022, 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.

We performed the audit according to the planned scope and timing previously communicated to you.

## Significant Audit Matters

### *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 the existing policies was not changed during 2022. 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. All of these 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 28, 2023.

### *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.

Client: **36411 - Maiden Creek Township**  
Engagement: **2022 AUD - Maiden Creek Township**  
Period Ending: **12/31/2022**  
Trial Balance: **2101 - TB - General Fund - 1**  
Workpaper: **2201 - Adjusting Journal Entries Report - General Fund**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1001</b>		<b>ZZ.01</b>		
To properly roll forward fund balance				
120	Accounts Receivable		2,078.00	
20000	Accounts Payable		518.09	
3900	Retained Earnings			2,596.09
<b>Total</b>			<b><u>2,596.09</u></b>	<b><u>2,596.09</u></b>
<b>Adjusting Journal Entries JE # 1002</b>		<b>TB</b>		
To reclass bonus payment wages recorded to Payroll expense to the proper wage accounts				
401.1	Manager Salary		125.00	
405.1	Secretary Wages		125.00	
409.15	Facilities Staff		75.00	
438.12	Wages for Highway Maintenance		1,428.53	
451.14	PT Park Maintenance Wages		150.00	
6560	Payroll Expenses			1,903.53
<b>Total</b>			<b><u>1,903.53</u></b>	<b><u>1,903.53</u></b>
<b>Adjusting Journal Entries JE # 1003</b>		<b>C10-LEAD</b>		
To reclass excess distribution of ARPA funding received				
331.13	State Police Fines		1,568.31	
352.53	Entitlements for Pub. Agencies			1,568.31
<b>Total</b>			<b><u>1,568.31</u></b>	<b><u>1,568.31</u></b>
<b>Adjusting Journal Entries JE # 1004</b>		<b>AA.01</b>		
To adjust reclass recording of CY RE tax refunds				
301.1	Real Estate - Current		4,425.97	
491.43	Refund of Real Estate Taxes			4,425.97
<b>Total</b>			<b><u>4,425.97</u></b>	<b><u>4,425.97</u></b>
<b>Adjusting Journal Entries JE # 1005</b>		<b>C10.07</b>		
To adjust payroll liabilities to actual at CYE				
481.1	Employer FICA Contribution		482.97	
481.2	Employer Medicare Contribution		118.07	
481.3	Unemployment Compensation		3,499.43	
221.1	Unemployment Comp, Employer			3,499.43
221.11	Unemployment Comp, Employee			601.04
<b>Total</b>			<b><u>4,100.47</u></b>	<b><u>4,100.47</u></b>

Client: **36411 - Maiden Creek Township**  
Engagement: **2022 AUD - Maiden Creek Township**  
Period Ending: **12/31/2022**  
Trial Balance: **2101 - TB - General Fund - 1**  
Workpaper: **2201 - Adjusting Journal Entries Report - General Fund**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1006</b>		<b>C10.07</b>		
To correct entry for workers' comp related entry posted in 2020 in error				
130.3	Due from Fire Tax Fund		1,676.66	
484	Workers Compensation Insurance		2,154.34	
20000	Accounts Payable			3,831.00
<b>Total</b>			<b><u>3,831.00</u></b>	<b><u>3,831.00</u></b>
<b>Adjusting Journal Entries JE # 1007</b>		<b>C10.07</b>		
To record inspection/engineering fees and payments to reimburse those costs for the Titan C project (Giorgio Mushroom) and the warehouse project (Maiden Creek Associates) to the review fees account				
248.03	Maiden Creek Associates Cond Us		5,000.00	
414.47	Review Fees		9,260.61	
248.02	Titan C Escrow			14,260.61
<b>Total</b>			<b><u>14,260.61</u></b>	<b><u>14,260.61</u></b>
<b>Adjusting Journal Entries JE # 1008</b>		<b>AA1.01</b>		
To reclass refund of excess police expense for 2022				
395.02	Refunds from Regional Police		130,000.00	
410	Police Commission Contribution			130,000.00
<b>Total</b>			<b><u>130,000.00</u></b>	<b><u>130,000.00</u></b>
<b>Adjusting Journal Entries JE # 1009</b>		<b>C10.07</b>		
To reclass reimbursement for shared expenses with MTA to the appropriate expense accounts				
135.1	Due From Twp. Authority		5,021.86	
430.231	Gasoline			3,721.86
438.45	Contracted Services for Roads			1,300.00
<b>Total</b>			<b><u>5,021.86</u></b>	<b><u>5,021.86</u></b>
<b>Adjusting Journal Entries JE # 1010</b>		<b>PP.01</b>		
To reclass administrative fees for 457(b) plan at CYE				
406	Other General Govt.		300.00	
483	Pension Fund Contribution			300.00
<b>Total</b>			<b><u>300.00</u></b>	<b><u>300.00</u></b>



Client: **36411 - Maiden creek Township**  
Engagement: **2022 AUD - Maiden creek Township**  
Period Ending: **12/31/2022**  
Trial Balance: **2102 - TB - Park and Rec Fund - 4**  
Workpaper: **2202 - Park and Rec Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1001</b>		<b>C10.08</b>		
To record due from GF for rent of recreation facilities recorded to GF and due to GF for allocation of Katelyn Gruber's salary for work performed for Park & Rec fund				
130.01	Due from General Fund		305.32	
454	Parks		140.00	
230.01	Due to General Fund			140.00
301.21	Real Estate Taxes - Special Assessment Prior Year			5.32
342.45	Rent of Recreation Facilities			300.00
<b>Total</b>			<b>445.32</b>	<b>445.32</b>
	<b>Total Adjusting Journal Entries</b>		<b>445.32</b>	<b>445.32</b>
	<b>Total All Journal Entries</b>		<b>445.32</b>	<b>445.32</b>

Client: **36411 - Maidencreek Township**  
Engagement: **2022 AUD - Maidencreek Township**  
Period Ending: **12/31/2022**  
Trial Balance: **2103 - TB - Liquid Fuels Fund - 35**  
Workpaper: **2203 - Liquid Fuels Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1001</b>		<b>AA.04</b>		
To reclass road maintenance costs to proper account to align with approved MS-965 report				
438.00	Maintenance Road and Bridges		223,309.34	
439.00	Hwy Constr. & Rebuilding Proj.			223,309.34
<b>Total</b>			<b>223,309.34</b>	<b>223,309.34</b>
	<b>Total Adjusting Journal Entries</b>		<b>223,309.34</b>	<b>223,309.34</b>
	<b>Total All Journal Entries</b>		<b>223,309.34</b>	<b>223,309.34</b>

Client: **36411 - Maiden creek Township**  
 Engagement: **2022 AUD - Maiden creek Township**  
 Period Ending: **12/31/2022**  
 Trial Balance: **2104 - TB - Fire Tax Fund - 14**  
 Workpaper: **2204 - Fire Tax Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1001</b>				
C1.08				
To record due to GF for worker's comp and income tax refunds paid by GF in Dec 2022 and due from GF for fire tax allocation of delinquent taxes collected for Oct/Nov 2022				
130.01	Due from GF		195.98	
301.1	Fire Tax		1,311.40	
484	Workers Compensation		3,280.13	
491.43	Refund of Real Estate Taxes		446.49	
230.01	Due to General Fund			5,038.02
301.40	Fire Tax Delinquent			195.98
<b>Total</b>			<u><b>5,234.00</b></u>	<u><b>5,234.00</b></u>
	<b>Total Adjusting Journal Entries</b>		<u><b>5,234.00</b></u>	<u><b>5,234.00</b></u>
	<b>Total All Journal Entries</b>		<u><b>5,234.00</b></u>	<u><b>5,234.00</b></u>

Client: **36411 - Maiden creek Township**  
 Engagement: **2022 AUD - Maiden creek Township**  
 Period Ending: **12/31/2022**  
 Trial Balance: **2105 - TB - Escrow Fund**  
 Workpaper: **2205 - Escrow Fund Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1001</b>				
To properly record Blandon Mennonite Fellowship Escrow at CYE				
		<b>A-LEAD</b>		
11000	Accounts Receivable		57,245.43	
20000	Accounts Payable			40,085.00
206.22	Blandon Mennonite Fellowship			15,731.46
408.31	Engineer			1,428.97
<b>Total</b>			<b><u>57,245.43</u></b>	<b><u>57,245.43</u></b>
	<b>Total Adjusting Journal Entries</b>		<b><u>57,245.43</u></b>	<b><u>57,245.43</u></b>
	<b>Total All Journal Entries</b>		<b><u>57,245.43</u></b>	<b><u>57,245.43</u></b>

March 28, 2023

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, 2022, 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 28, 2023, on the financial statements of Maidencreek Township.

**Budgeting Practices**

When developing the budget, expenses are currently budgeted for to the extent that all cash funds would be used at the end of the year. Unless it is the intention to expend all cash in a fund, this practice is not recommended as the budget should be a guide for actual anticipated revenues and expenses for the year. The budgeted surplus or deficit within a fund is what is anticipated to be the change in fund balance for the year.

**Internal Controls**

We wanted to take this opportunity to remind the Township of the importance of continually revisiting and revising internal controls in place. A good system of internal controls would 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. During the audit, we noted no independent review of the bank reconciliations were documented. Bank reconciliations and the supporting bank statements should be reviewed and approved by someone independent of preparing the bank reconciliation to ensure proper oversight.

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.

Sincerely,

*Herbein + Company, Inc.*

Herbein + Company, Inc.

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# Maiden Creek Township

**Review of Audit Results  
December 31, 2022**

**Herbein**<sup>™</sup>  
CPAs + Advisors

# Overview

- ▼ Introduction
- ▼ Review of Auditor's Report for the year ended December 31, 2022
- ▼ 2022 Financial Highlights and Trends
- ▼ Auditor Communications

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

# Introduction

- ▼ Our audit is conducted under Generally Accepted Auditing Standards
- ▼ Basis of Accounting: The financial statements are prepared in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania under the modified cash basis.
- ▼ Our Responsibility: To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion.



# Auditor Opinion

- ▼ Generally Accepted Auditing Standards -  
*Unmodified Opinion*

- ▼ An *unmodified opinion* is a clean audit opinion from an independent auditor.

# General Fund - Budget to Actual

	Budget	Actual	Variance
<b>REVENUES</b>			
Real estate taxes	\$ 679,700	\$ 655,662	\$ (24,038)
Earned income taxes	1,400,000	1,579,194	179,194
Real estate transfer taxes	240,000	252,547	12,547
Other local taxes	168,400	164,377	(4,023)
Licenses, permits, and fines	115,100	115,110	10
Interest and rent	35,508	56,654	21,146
Intergovernmental	627,911	563,085	(64,826)
Charges for services	75,500	128,333	52,833
Other	47,500	1,017	(46,483)
<b>TOTAL REVENUES</b>	<b>3,389,619</b>	<b>3,515,979</b>	<b>126,360</b>
<b>EXPENDITURES</b>			
General government	391,414	392,249	(835)
Public safety:			
Police	1,428,816	1,298,566	130,250
Fire/ambulance/rescue	87,000	107,995	(20,995)
Other	117,954	248,445	(130,491)
Health and human services	2,250	2,000	250
Public works - sanitation	225,641	182,337	43,304
Public works - highways and streets	755,435	839,353	(83,918)
Public works - other	200,005	852	199,153
Culture and recreation	65,612	64,011	1,601
Debt service	40,688	40,689	(1)
Employer paid benefits, insurance	312,296	239,829	72,467
Refund of Prior Year Revenues	-	1,532	(1,532)
<b>TOTAL EXPENDITURES</b>	<b>3,627,111</b>	<b>3,417,858</b>	<b>209,253</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (237,492)</b>	<b>\$ 98,121</b>	<b>\$ 335,613</b>

## General Fund Highlights:

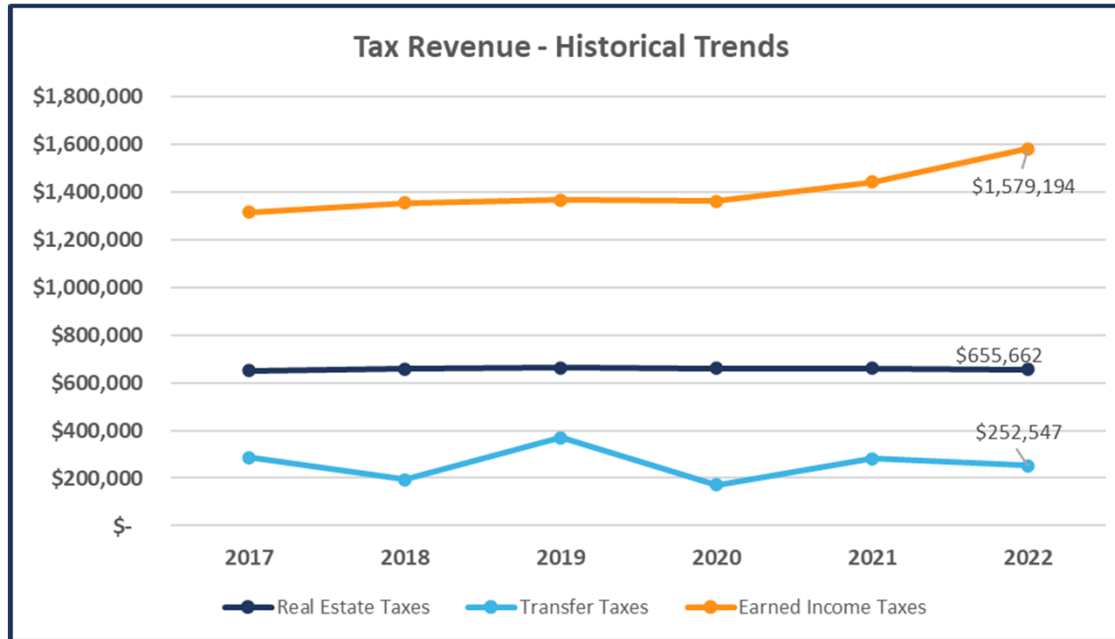
### Revenue was 3.7% over budget

- ▶ Earned income taxes - continued growth with an increase of \$138k from 2021
- ▶ Intergovernmental - includes \$499k in ARPA funds; under budget due to \$62k for recycling equipment grant not received in 2022
- ▶ Charges for services - increased permit activity
- ▶ Other - budget included anticipated refund from NBRP which is recorded against related expense

### Expenditures were 5.8% under budget (excludes ARP budget)

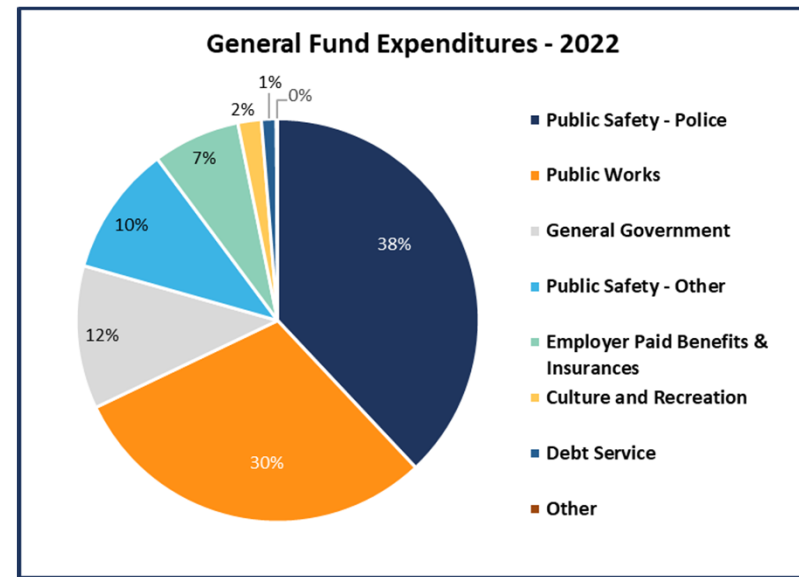
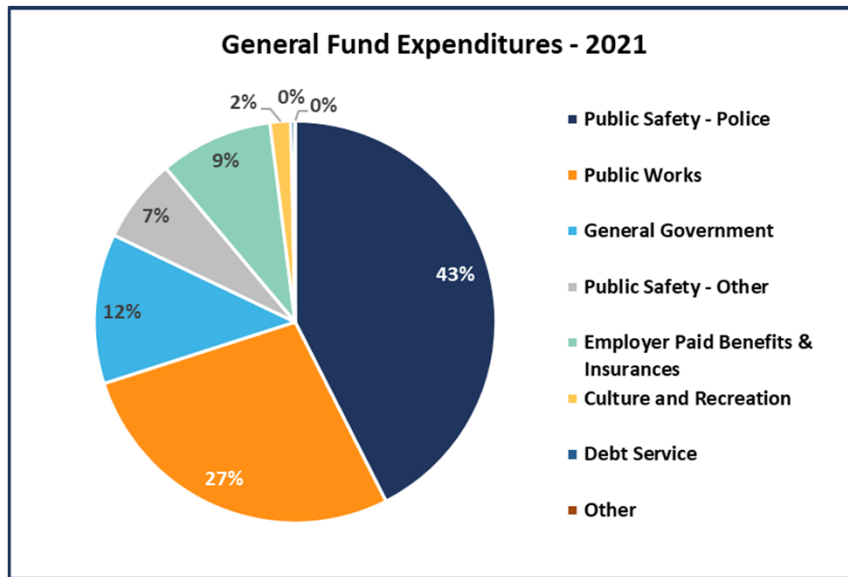
- ▶ Police - \$130k refund due to NBRP showing a preliminary surplus for 2022
- ▶ Public Safety other - increased permit activity
- ▶ Sanitation - yard waste project \$52k under budget as project not complete
- ▶ Highways and streets - over budget due to road maintenance supplies for road widening project
- ▶ PW - Other - \$200k for stormwater project in case of emergency - minimal actual costs
- ▶ Employer paid benefits - savings in Health Insurance costs with turnover

# General Fund - Tax Revenue



The chart above reflects the trend of continued positive earned income tax growth and stable property tax revenues. These revenues represent 71% of the Township's General Fund Revenues for 2022.

# General Fund - Expenditures



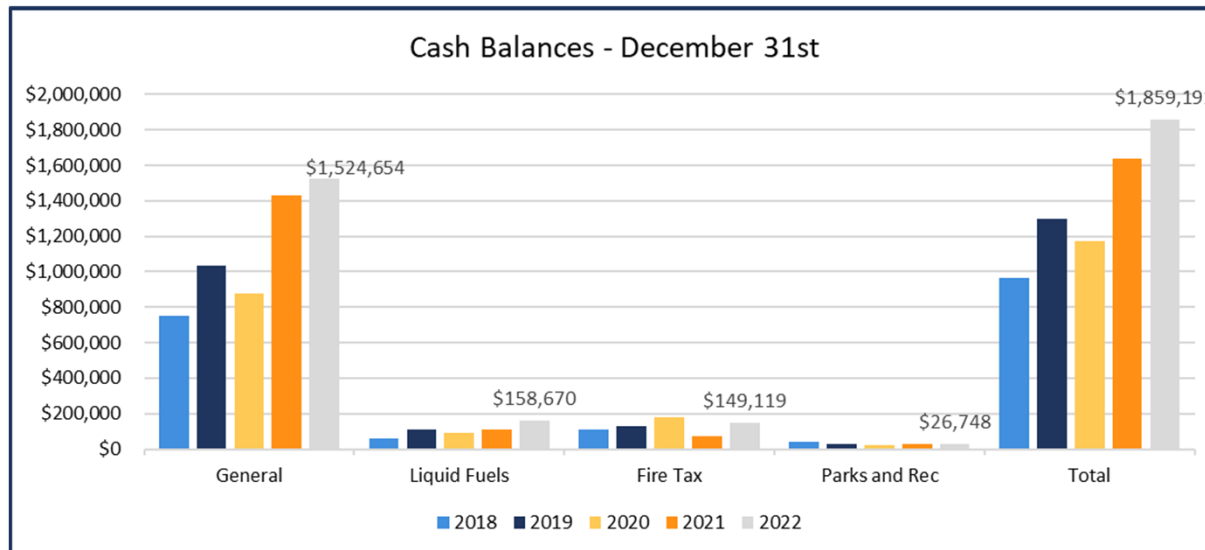
The breakdown of general fund expenditures remains consistent with the two main areas of spending, public safety - police and public works.

# Special Revenue Funds

	Fire Tax	Liquid Fuels	Parks and Rec
Revenues	\$ 190,770	\$ 302,599	\$ 1,752
Expenditures	\$ 119,773	\$ 251,994	\$ 150
Surplus (deficit)	\$ 70,997	\$ 50,605	\$ 1,602

- ▼ Fire tax fund expenditures are down \$174k from the prior year which included \$183k to support the new fire truck purchase by the Bandon Fire Co.
- ▼ Liquid fuels expenditures includes \$223k for road projects.

# Ending Cash Balances



The overall cash balance in the Township increased \$220k from 2021. General fund cash has increased \$646k over the past two years which includes \$995k related to ARP funds.

# Auditor Communications

## Internal Controls

- ▼ Budgeting practices
- ▼ Bank reconciliation review process
- ▼ Reminder of Township Supervisors of oversight responsibilities

## Required Communications

- ▼ No difficulties in performing the audit
- ▼ Proposed audit adjustments are attached to the letter
- ▼ No other reportable matters

# Herbein

CPAs + Advisors



## Offices

Allentown, PA  
 Allison Park, PA  
 Chagrin Falls, OH  
 Greensburg, PA  
 Marlton, NJ  
 Pittsburgh, PA  
 Pottstown, PA  
 Reading, PA (HQ) (2 offices)  
 Royersford, PA  
 Spring House, PA  
 Philippines (Quezon City)



## Family of Companies

The Herbein Family of Companies focuses on creating impact by delivering the exceptional solutions, innovative thinking, and outstanding client service that are a hallmark of the Herbein Experience.

Herbein | FOS Risk Management  
 Herbein | Watterson Talent Solutions  
 Herbein | Mosteller HR Consulting  
 Herbein Financial Group\*



## Quality Control

Earned clean peer review reports signifying the highest level of quality since our first review in 1982.

Registered with the Public Company Accounting Oversight Board which demonstrates Herbein's commitment to provide the highest levels of client service.



## Independent Member of Allinial Global

The independently-owned public accounting firms that make-up Allinial Global understand the current competitive business climate and provide access to critical resources that address their clients' needs, both locally and globally.



## Annual Projects

Audits	380+
Reviews	145+
Compilations	115+
EBP Audits	80+
Corporate Tax Clients	2000+
Individual Tax Clients	5,000+
M&A Deals	25-30
Consulting	250+



## Firm Recognition

2022 Best in Accounting Client Service - Clearly Rated  
 2021 Top Accounting Firms - Philadelphia Business Journal  
 2021 Top Accounting Firms - Pittsburgh Business Times  
 2021 Top Accounting Firms - Lehigh Valley Business Journal  
 2021 Greater Reading Top Business Awards - Greater Reading Chamber Alliance  
 2021 Top U.S. Accounting Firms - Accounting Today  
 2021 Best Places to Work in PA - Team PA



## Team

250+ team member

Partners	36
Sr. Managers	41
Managers	33

\*Herbein Financial Group, LLC is a registered investment advisor and this presentation contains general information that is for informational purposes only and not to be construed as a solicitation to buy or sell any security, or as an offer of investment advice.



# Herbein Family of Companies

The Herbein Family of Companies creates opportunity and impact through the exceptional solutions, innovative thinking, and outstanding client service that are a hallmark of the Herbein Experience. Sharing the Herbein mission and values, these subsidiaries' service offerings include human resource consulting, talent solutions, risk management services and financial services.

## Our Services

### Advisory

- On Demand Accounting & Advisory
- COVID Services
- Divorce Financial Analysis
- Herbein 360°
- Transfer Pricing Studies
- Exit Planning
- Business Valuations
- Forensic & Fraud Examinations
- ESOP Planning/Feasibility Studies
- Litigation Support

### Transaction

- Cash Flow Forecasts
- Due Diligence
- Fairness Opinions
- Mergers & Acquisitions
- Quality of Earnings Reports
- Tax & Deal Structuring

### Risk Management

- Compliance
- Internal Audit & Consulting
- Cybersecurity
- Information Technology

### HR Consulting

- Compensation
- Strategic HR
- HR Outsourcing
- Interim HR
- Training
- Recruiting & Executive Search

### Tax

- Tax Credits and Incentives
- International Tax
- State and Local Tax
- Estate & Retirement Tax Planning

### Herbein Financial Group

#### For Organizations

- Retirement Plan Consulting
- Asset Management
- Executive Benefits

#### For Individuals

- Wealth Management
- Estate & Risk Management
- Alternate Income & Investments
- Retirement Planning

#### Assurance

- Audit, Review, Compilation
- Employee Benefit Plan
- Lease Compliance

#### Talent Solutions

- Talent Development
- Coaching
- Assessment Tools
- Training & Development

### Herbein | Mosteller HR Consulting

In 2021, Herbein joined forces with Mosteller & Associates, the Mid-Atlantic's premier, full-service human resources organization. The powerhouse combination created Herbein | Mosteller HR Consulting, which for more than 25 years, has partnered with hundreds of clients of all sizes, and in a vast range of industries, to provide a robust suite of HR services.

### Herbein Financial Group

A strategic partnership with Northeast Financial Group, Herbein Financial Group was created in 2022 to provide wealth management and retirement plan solutions for individuals, businesses, and retirement plans. Founded in 1987, Northeast Financial Group, Inc. (NEFG) is an independent Registered Investment Advisory firm – and maintains a commitment to providing comprehensive fiduciary and investment services.

### Herbein | FOS Risk Management

Herbein | FOS Risk Management is a leading provider of internal audit, risk management, and compliance services. A division of Herbein, the Herbein | FOS Risk Management Services practice was formerly known as Financial Outsourcing Solutions (FOS) - and joined Herbein in 2013.

### Herbein | Watterson Talent Solutions

In 2022, Chagrin Falls, Ohio based organizational psychology firm Watterson & Associates, Inc. (WAI) joined Herbein. Founded in 1996, this Herbein division strategically partners with companies to manage employee development needs. Organizations turn to Herbein | Watterson Talent Solutions for expert advice on making strong hiring decisions, sustaining employee development, and ultimately, realizing a long-term return on investment.

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TEAM  
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