MAIDENCREEK TOWNSHIP

DECEMBER 31, 2013

Kosmerl & Company P.C.
A Professional Corporation
Certified Public Accountants
535 North 5th St.
Reading, PA
19601-3005
(610) 372-5815
FAX (610) 372-8466
k.cpas@kosmerl.net

MEMBERS
PA INSTITUTE OF CPA'S

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

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Maidencreek Township

We have audited the accompanying Commonwealth of Pennsylvania Audit and Financial Report (Form DCED-CLGS-30) of Maidencreek Township, Berks County, Pennsylvania, which comprise the statement of assets, liabilities and fund equity as of December 31, 2013, and the related statement of revenue collected and expenditures, or expenses paid for the year then ended, which collectively comprise the financial statements as shown in the DCED prescribed form.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The Township's policy is to prepare the Form DCED-CLGS-30 on the cash basis of accounting. Consequently revenues and the related assets are recognized when received rather then when earned and expenditures or expenses are recognized when paid rather then when a liability is incurred. Management is responsible for determining that the cash basis of accounting is an acceptable basis for the preparation of the Form DCED-CLGS-30 in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described above, the financial statements are prepared by Maidencreek Township on the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The effects on the financial statements of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Maidencreek Township, as of December 31, 2013, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the General Fixed Assets Account Group which should be included to comply with the requirements of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on Regulatory Basis of Accounting, the financial statements referred to in the first paragraph present fairly, in all material respects the assets, liabilities and fund equity of Maidencreek Township as of December 31, 2013, and its revenue collected and expenditures, or expenses paid for the year then ended, on the basis of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Kosmerl & Company., P.C.

KOSMERL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 25, 2014

DCED-CLGS-30 (9-09)

BALANCE SHEET

DCED-CLGS-30 (09-09)

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2013

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue Funds							General Long-Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	645,518	61,932					193,470			900,920
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds										
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									161,872	161,872
Total Assets and Other Debits		645,518	61,932					193,470		161,872	1,062,792
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	49									49
200-209, 231-239	All Other Current Liabilities							193,470			193,470
230.00	Due To Other Funds										

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2013

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Grant Funds)	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									98,447	98,447
240-259	Current Portion of Long-Term Debt and Other Credits									63,425	63,425
Total Liabilities and Other Credits		49						193,470		161,872	355,391
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	645,469	61,932								707,401
291-299	Other Equity										
Total Fund and Account Group Equity		645,469	61,932								707,401
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,062,792

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

REVENUES

		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
	Taxes								
301.00	Real Estate Taxes	591,728	114,712						706,440
305.00	Occupation Taxes (levied under municipal code)								
308.00	Residence Taxes (levied by cities of the 3rd Class)								
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)								
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	128,343							128,343
310.20	Earned Income Taxes / Wage Taxes	1,123,913							1,123,913
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	151,025							151,025
310.60	Amusement / Admission Taxes	10,804							10,804
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
	Total Taxes	2,005,813	114,712						2,120,525
	Licenses and Permits								
320-322	All Other Licenses and Permits	232,502							232,502
321.80	Cable Television Franchise Fees	100,768							100,768
	Total Licenses and Permits	333,270							333,270
	Fines and Forfeits								
330-332	Fines and Forfeits	19,896							19,896
	Total Fines and Forfeits	19,896							19,896

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue Funds (Including Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
REVENUES								
Interest, Rents and Royalties								
341.00 Interest Earnings	4,360	336						4,696
342.00 Rents and Royalties	30,589	1,780						32,369
Total Interest, Rents and Royalties	34,949	2,116						37,065
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	13,549							13,549
354.00 All Other State Capital and Operating Grants								
355.01 Public Utility Realty Tax (PURTA)	2,334							2,334
355.02-355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		216,778						216,778
355.04 Alcoholic Beverage Licenses								
355.05 General Municipal Pension System State Aid	19,422							19,422
355.07 Foreign Fire Insurance Tax Distribution	47,972							47,972
355.08 Local Share Assessment/Gaming Proceeds								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (excluding State Highway Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
REVENUES								
State								
355.09 Marcellus Shale Impact Fee Distribution								
355.00 All Other State Shared Revenues and Entitlements	66,745							66,745
356.00 State Payments in Lieu of Taxes								
Total State	150,022	216,778						366,800
Local Government Units								
357.03 Highways and Streets								
357.00 All Other Local Governmental Units Capital and Operating Grants		13,797						13,797
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00 Local Governmental Units and Authorities Payments in Lieu of Taxes								
Total Local Government Units		13,797						13,797
Charges for Service								
361.00 General Government	12,713							12,713
362.00 Public Safety								
363.20 Parking								
363.00 All Other Charges for Highway & Streets Services								
364.10 Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
364.30 Solid Waste Collection and Disposal Charge (trash)								
364.60 Host Municipality Benefit Fee for Solid Waste Facility								
364.00 All Other Charges for Sanitation Services								
365.00 Health								
366.00 Human Services								
367.00 Culture and Recreation		12,031						12,031

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue Fund(s)	Capital Projects Fund(s)	Debt Service Fund(s)	Enterprise Fund(s)	Internal Service Fund(s)	Trust and Agency Fund(s)	Memorandum Only
REVENUES								
Charges for Service								
368.00 Airports								
369.00 Bars								
370.00 Cemeteries								
372.00 Electric System								
373.00 Gas System								
374.00 Housing System								
375.00 Markets								
377.00 Transit Systems								
378.00 Water System								
379.00 All Other Charges for Service								
Total Charges for Service	12,713	12,031						24,744
Unclassified Operating Revenues								
383.00 Special Assessments								
386.00 Escheats (sale of personal property)								
387.00 Contributions and Donations from Private Sectors		5,902						5,902
388.00 Fiduciary Fund Pension Contributions								
389.00 All Other Unclassified Operating Revenues								
Total Unclassified Operating Revenues		5,902						5,902
Other Financing Sources								
391.00 Proceeds of General Fixed Asset Disposition								
392.00 Interfund Operating Transfers								
393.00 Proceeds of General Long-Term Debt								
394.00 Proceeds of Short Term-Debt								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
REVENUES									
Other Financing Sources									
395.00	Refunds of Prior Year Expenditures								
	Total Other Financing Sources								
	TOTAL REVENUES	2,556,663	365,336						2,921,999
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	108,987	1,437						110,424
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	4,000							4,000
403.00	Tax Collection	6,114	976						7,090
404.00	Solicitor / Legal Services	13,800							13,800
405.00	Secretary / Clerk	10,540							10,540
406.00	Other General Government Administration	338							338
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	59,163	4,433						63,596
409.00	General Government Buildings and Plant	45,370							45,370
	Total General Government	248,312	6,846						255,158
Public Safety									
410.00	Police	972,421							972,421
411.00	Fire	175,995							175,995
412.00	Ambulance / Rescue	9,000							9,000
413.00	UCC and Code Enforcement	156,423							156,423
414.00	Planning and Zoning	4,125							4,125
415.00	Emergency Management and Communications	39,264							39,264

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including Snowmobile Fees)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
EXPENDITURES									
Public Safety									
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	96							96
	Total Public Safety	1,357,324							1,357,324
Health and Human Services									
420.00-425.00	Health and Human Services	1,000							1,000
	Total Health and Human Services	1,000							1,000
Public Works - Sanitation									
426.00	Recycling Collection and Disposal	128,220							128,220
427.00	Solid Waste Collection and Disposal (garbage)	9,587	673						10,260
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
	Total Public Works - Sanitation	137,807	673						138,480
Public Works - Highways and Streets									
430.00	General Services - Administration	39,298	465						39,763
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	16,520	142,844						159,364
433.00	Traffic Control Devices	15,274	2,565						17,839
434.00	Street Lighting	44,158	63,052						107,210
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
EXPENDITURES								
Public Works - Highways and Streets								
437.00 Repairs of Tools and Machinery	42,535	11,725						54,260
438.00 Maintenance and Repairs of Roads and Bridges	100,518	8,600						109,118
439.00 Highway Construction and Rebuilding Projects								
Total Public Works - Highways and Streets	258,303	229,251						487,554
Other Public Works Enterprises								
440.00 Airports								
441.00 Cemeteries								
442.00 Electric System								
443.00 Gas System								
444.00 Markets								
445.00 Parking								
446.00 Storm Water and Flood Control	2,790							2,790
447.00 Transit System								
448.00 Water System								
449.00 Water Transport and Terminals								
Total Other Public Works Enterprises	2,790							2,790
Culture and Recreation								
451.00 Culture-Recreation Administration		3,500						3,500
452.00 Participant Recreation								
453.00 Spectator Recreation								
454.00 Parks	39,254	128,665						167,919
455.00 Shade Trees								
456.00 Libraries								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

EXPENDITURES

		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
	Culture and Recreation								
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation		26,525						26,525
	Total Culture and Recreation	39,254	158,690						197,944
	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)	3,758							3,758
472.00	Debt Interest (short-term and long-term)								
475.00	Fiscal Agent Fees	350							350
	Total Debt Service	4,108							4,108
	Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	30,883							30,883
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	33,940							33,940
484.00	Worker Compensation Insurance	53,366							53,366

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
EXPENDITURES									
Employer Paid Benefits and Withholding Items									
487.00	Other Group Insurance Benefits	8,113							8,113
Total Employer Paid Benefits and Withholding Items		126,302							126,302
Insurance									
486.00	Insurance, Casualty, and Surety	164,805							164,805
Total Insurance		164,805							164,805
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures								
Total Unclassified Operating Expenditures									
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		2,340,005	395,460						2,735,465
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		216,658	-30,124						186,534

MAIDENCREEK TWP

December 31, 2013

DEBT STATEMENT

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

Purpose	Bond (B) 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	Captial Leases	2013	2018	120,535	120,535				120,535		120,535
Powerco, Inc	Captial Leases	2013	2015	45,095	45,095		3,758		41,337		41,337
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	161,872
Capitalized lease obligations	0
Net debt	161,872

MAIDENCREEK TWP, BERKS County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2013

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

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	359,675