MAIDENCREEK TOWNSHIP

DECEMBER 31, 2016

Kosmerl & Company P.C.
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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, as of and for the year ended December 31, 2016, 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, 2016, 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, 2016, 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 27, 2017

BALANCE SHEET

DCED-CLGS-30 (09-09)

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2016

		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
Assets and Other Debits											
100-120	Cash and Investments	663,066	202,857					77,863			943,786
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	1,245									1,245
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									197,210	197,210
Total Assets and Other Debits		664,311	202,857					77,863		197,210	1,142,241
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	353									353
200-209, 231-239	All Other Current Liabilities							77,863			77,863
230.00	Due To Other Funds	2,781									2,781

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2016

		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									131,213	131,213
240-259	Current Portion of Long-Term Debt and Other Credits									65,997	65,997
Total Liabilities and Other Credits		3,134						77,863		197,210	278,207
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	661,177	202,857								864,034
291-299	Other Equity										
Total Fund and Account Group Equity		661,177	202,857								864,034
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,142,241

DCED-CLGS-30 (9-09)

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

	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	646,033	187,924						833,957
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	171,160							171,160
310.20 Earned Income Taxes / Wage Taxes	1,304,176							1,304,176
310.30 Business Gross Receipts Taxes								
310.40 Occupation Taxes (levied under Act 511)								
310.50 Local Services Tax **	168,841							168,841
310.60 Amusement / Admission Taxes	10,569							10,569
310.70 Mechanical Device Taxes								
310.90 Other Local Tax Enabling Act / Act 511 / Taxes								
Other: _____								
Total Taxes	2,300,779	187,924						2,488,703
Licenses and Permits								
320-322 All Other Licenses and Permits	62,659							62,659
321.80 Cable Television Franchise Fees	96,312							96,312
Total Licenses and Permits	158,971							158,971
Fines and Forfeits								
330-332 Fines and Forfeits	21,997							21,997
Total Fines and Forfeits	21,997							21,997

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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	3,661	1,037						4,698
342.00	Rents and Royalties	31,194	1,675						32,869
Total Interest, Rents and Royalties		34,855	2,712						37,567
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	20,420							20,420
354.00	All Other State Capital and Operating Grants	18,418							18,418
355.01	Public Utility Realty Tax (PURTA)	2,570							2,570
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		296,170						296,170
355.04	Alcoholic Beverage Licenses								
355.05	General Municipal Pension System State Aid								
355.07	Foreign Fire Insurance Tax Distribution	59,571							59,571
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, 2016

		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									
356.00	State Payments in Lieu of Taxes								
355.00	All Other State Shared Revenues and Entitlements	49,871							49,871
Total State		150,850	296,170						447,020
Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants								
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
Total Local Government Units									
Charges for Service									
361.00	General Government	269							269
362.00	Public Safety	334							334
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		2,346						2,346
368.00	Airports								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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	603	2,346						2,949
Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	100	605						705
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues								
	Total Unclassified Operating Revenues	100	605						705
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, 2016

		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	13,751							13,751
Total Other Financing Sources		13,751							13,751
TOTAL REVENUES		2,681,906	489,757						3,171,663
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	117,203							117,203
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	4,930							4,930
403.00	Tax Collection	7,788							7,788
404.00	Solicitor / Legal Services	17,646							17,646
405.00	Secretary / Clerk	47,247							47,247
406.00	Other General Government Administration	146	209						355
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	80,668							80,668
409.00	General Government Buildings and Plant	33,295							33,295
Total General Government		308,923	209						309,132
Public Safety									
410.00	Police	1,185,814							1,185,814
411.00	Fire	59,571	203,108						262,679
412.00	Ambulance / Rescue	62,500							62,500
413.00	UCC and Code Enforcement	70,950							70,950

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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	3,945							3,945
415.00	Emergency Management and Communications	17,032							17,032
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
Total Public Safety		1,399,812	203,108						1,602,920
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	96,510							96,510
427.00	Solid Waste Collection and Disposal (garbage)	3,783							3,783
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		100,293							100,293
Public Works - Highways and Streets									
430.00	General Services - Administration	66,733							66,733
431.00	Cleaning of Streets and Gutters		4,200						4,200
432.00	Winter Maintenance – Snow Removal	15,397	18,996						34,393
433.00	Traffic Control Devices	20,346							20,346
434.00	Street Lighting	92,995							92,995

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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	30,627	1,182						31,809
437.00	Repairs of Tools and Machinery	50,386							50,386
438.00	Maintenance and Repairs of Roads and Bridges	296,542	11,378						307,920
439.00	Highway Construction and Rebuilding Projects		131,958						131,958
Total Public Works - Highways and Streets		573,026	167,714						740,740
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	1,896							1,896
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises		1,896							1,896
Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	41,874	4,308						46,182

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation	9,500	5,802						15,302
Total Culture and Recreation		51,374	10,110						61,484
Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing	114							114
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
Total Community Development		114							114
Debt Service									
471.00	Debt Principal (short-term and long-term)	54,773							54,773
472.00	Debt Interest (short-term and long-term)	6,103							6,103
475.00	Fiscal Agent Fees								
Total Debt Service		60,876							60,876
Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	38,894							38,894
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	9,685							9,685

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

		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	24,473							24,473
487.00	Other Group Insurance Benefits								
Total Employer Paid Benefits and Withholding Items		73,052							73,052
Insurance									
486.00	Insurance, Casualty, and Surety	177,177							177,177
Total Insurance		177,177							177,177
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		2,747,543	381,141						3,128,684
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-65,637	108,616						42,979

MAIDENCREEK TWP

December 31, 2016

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Susquehanna Commercial Finance	Capital Leases	2013	2018	120,535	75,393		24,063		51,330		51,330
Susquehanna Commercial Finance	Capital Leases	2014	2019	79,250	64,716		15,164		49,552		49,552
County Radio	Note	2014	2017	62,182	31,092		15,546		15,546		15,546
Commonwealth of PA/PA Emergency Management Agency	Note	2014	2024	100,000	90,876		10,094		80,782		80,782
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	197,210
Capitalized lease obligations	0
Net debt	197,210

DCED-CLGS-30 (9-09)

MAIDENCREEK TWP, BERKS County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2016

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		131,958	131,958
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		131,958	131,958

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EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	461,236