MAIDENCREEK TOWNSHIP

DECEMBER 31, 2018

Received by DCED: 03/28/2019
Approved by DCED:

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

2018 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061085 MAIDENCREEK TWP, BERKS COUNTY

Kosmerl & Company P.C.
A Professional Corporation
Certified Public Accountants

MEMBERS
PA INSTITUTE OF CPA'S

535 North 5th St.
Reading, PA
19601-3005

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

(610) 372-5815
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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, 2018, which collectively comprises the financial statements as shown in the DCED prescribed form.

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

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, 2018, 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, 2018, 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 26, 2019

BALANCE SHEET

DCED-CLGS-30 (09-09)

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2018

		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	751,762	215,957					71,340			1,039,059
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	6,597									6,597
160-169	Fixed Assets										
180-189	Other Debits									120,730	120,730
Total Assets and Other Debits		758,359	215,957					71,340		120,730	1,166,386
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities							71,340			71,340
230.00	Due To Other Funds										

MAIDENCREEK TWP, BERKS County

BALANCE SHEET

December 31, 2018

		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									85,917	85,917
240-259	Current Portion of Long-Term Debt and Other Credits									34,813	34,813
Total Liabilities and Other Credits								71,340		120,730	192,070
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	758,359	215,957								974,316
291-299	Other Equity										
Total Fund and Account Group Equity		758,359	215,957								974,316
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,166,386

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	656,457	190,440						846,897
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	194,701							194,701
310.20	Earned Income Taxes / Wage Taxes	1,353,773							1,353,773
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	158,625							158,625
310.60	Amusement / Admission Taxes	9,378							9,378
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
	Total Taxes	2,372,934	190,440						2,563,374
Licenses and Permits									
320-322	All Other Licenses and Permits	94,175							94,175
321.80	Cable Television Franchise Fees	94,376							94,376
	Total Licenses and Permits	188,551							188,551
Fines and Forfeits									
330-332	Fines and Forfeits	32,616							32,616
	Total Fines and Forfeits	32,616							32,616

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

		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	14,065	1,581						15,646
342.00	Rents and Royalties	32,510	1,775						34,285
Total Interest, Rents and Royalties		46,575	3,356						49,931
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	27,965							27,965
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	2,674							2,674
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		323,522						323,522
355.04	Alcoholic Beverage Licenses	1,050							1,050
355.05	General Municipal Pension System State Aid								
355.07	Foreign Fire Insurance Tax Distribution	49,500							49,500
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, 2018

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
State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
	Total State	81,189	323,522						404,711
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	4,266							4,266
362.00	Public Safety	55,342							55,342
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		29,300						29,300
368.00	Airports								

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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
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	2,963							2,963
	Total Charges for Service	62,571	29,300						91,871
Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	261	252						513
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues								
	Total Unclassified Operating Revenues	261	252						513
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, 2018

		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	48,288	547						48,835
Total Other Financing Sources		48,288	547						48,835
TOTAL REVENUES		2,832,985	547,417						3,380,402
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	49,771							49,771
401.00	Executive (Manager or Mayor)	78,300							78,300
402.00	Auditing Services / Financial Administration	4,900							4,900
403.00	Tax Collection	8,512							8,512
404.00	Solicitor / Legal Services	19,783							19,783
405.00	Secretary / Clerk	53,428							53,428
406.00	Other General Government Administration	235	82						317
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	84,812							84,812
409.00	General Government Buildings and Plant	116,765							116,765
Total General Government		416,506	82						416,588
Public Safety									
410.00	Police	1,194,708							1,194,708
411.00	Fire	49,500	247,736						297,236
412.00	Ambulance / Rescue	32,000							32,000
413.00	UCC and Code Enforcement	159,297							159,297

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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
Public Safety									
414.00	Planning and Zoning	3,980							3,980
415.00	Emergency Management and Communications	17,689							17,689
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	1,457,174	247,736						1,704,910
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	117,118							117,118
427.00	Solid Waste Collection and Disposal (garbage)	5,190							5,190
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
	Total Public Works - Sanitation	122,308							122,308
Public Works - Highways and Streets									
430.00	General Services - Administration	46,214							46,214
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	234	53,066						53,300
433.00	Traffic Control Devices	17,270							17,270
434.00	Street Lighting	105,359							105,359

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

		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	6,140							6,140
437.00	Repairs of Tools and Machinery	42,055							42,055
438.00	Maintenance and Repairs of Roads and Bridges	294,345							294,345
439.00	Highway Construction and Rebuilding Projects		249,941						249,941
Total Public Works - Highways and Streets		511,617	303,007						814,624
Other Public Works Enterprises									
440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking								
446.00	Storm Water and Flood Control								
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises									
Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	78,246	866						79,112

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

		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							9,500
	Total Culture and Recreation	87,746	866						88,612
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)	42,722							42,722
472.00	Debt Interest (short-term and long-term)	2,609							2,609
475.00	Fiscal Agent Fees								
	Total Debt Service	45,331							45,331
Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	38,086							38,086
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	20,000							20,000

MAIDENCREEK TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

		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	22,783							22,783
487.00	Other Group Insurance Benefits								
Total Employer Paid Benefits and Withholding Items		80,869							80,869
Insurance									
486.00	Insurance, Casualty, and Surety	170,651							170,651
Total Insurance		170,651							170,651
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		2,893,202	551,691						3,444,893
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-60,217	-4,274						-64,491

MAIDENCREEK TWP

December 31, 2018

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	26,214		26,214		0		0
Susquehanna Commercial Finance	Capital Leases	2014	2019	79,250	33,730		16,507		17,223		17,223
Santander Bank, N.A.	Capital Leases	2018	2023	41,943	0	41,943	0		41,943		41,943
Revenue Bonds and Notes											
Lease Rental Debt											
Other											
Commonwealth of PA/PA Emergency	Note	2014	2024	100,000	71,269		9,705		61,564		61,564

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	120,730
Capitalized lease obligations	0
Net debt	120,730

MAIDENCREEK TWP, BERKS County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

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		249,941	249,941
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		249,941	249,941

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	444,040

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Kosmerl & Co., P.C. Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

December 31, 2018

NOTES / COMMENTS

Maidencreek Township enacted on September 11, 2014 - Ordinance 234 - An ordinance incurring nonelectoral debt by Blandon Community Ambulance Association to provide funds toward refunding a portion of debt previously incurred for the purchase of two 2014 Baun XL Chevy G4500 Ambulances. This ordinance was adopted in conjunction with a written reimbursement agreement between the Township and Blandon Community Ambulance Association. The Township guarantees the debt and the Ambulance Association is responsible for the payment of the debt.