



UNION TOWNSHIP

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

Year Ended December 31, 2022



INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors
Union Township
Douglassville, 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 Union 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 Union 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 Union 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 Union 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 Union 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 Union 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 23, 2023

DCED-CLGS-30 (9-09)

Received by DCED: 03/28/2023
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

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

061955 UNION TWP, BERKS COUNTY

UNION 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

Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits	57,694									57,694
Total Liabilities and Other Credits		61,590									61,590

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	2,832,557	563,278								3,395,835
291-299	Other Equity										
Total Fund and Account Group Equity		2,832,557	563,278								3,395,835

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											3,457,425
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UNION 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	764,467						764,467
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	123,920						123,920
310.20	Earned Income Taxes / Wage Taxes	686,159						686,159
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	24,047						24,047
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,598,593						1,598,593

Licenses and Permits								
320-322	All Other Licenses and Permits	500						500
321.80	Cable Television Franchise Fees	38,872						38,872
Total Licenses and Permits		39,372						39,372

Fines and Forfeits								
330-332	Fines and Forfeits	4,088						4,088
Total Fines and Forfeits		4,088						4,088

UNION 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

Interest, Rents and Royalties								
341.00	Interest Earnings	5,795	1,236					7,031
342.00	Rents and Royalties	30,011						30,011
Total Interest, Rents and Royalties		35,806	1,236					37,042

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	197,759						197,759
353.00	Federal Payments in Lieu of Taxes	1,477						1,477
Total Federal		199,236						199,236

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	4,106						4,106
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,495						1,495
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		182,545					182,545
355.04	Alcoholic Beverage Licenses	600						600
355.05	General Municipal Pension System State Aid	17,943						17,943
355.07	Foreign Fire Insurance Tax Distribution	26,559						26,559
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

UNION 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	134						134
Total State		50,837	182,545					233,382

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	45,986						45,986
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		45,986						45,986

Charges for Service								
361.00	General Government	1,002						1,002
362.00	Public Safety	91,898						91,898
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	403						403
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	380	8,900					9,280
368.00	Airports							

UNION 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**

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		93,683	8,900					102,583

Unclassified Operating Revenues

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	334						334
Total Unclassified Operating Revenues		334						334

Other Financing Sources

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	12,625						12,625
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

UNION 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	2,667					2,667
Total Other Financing Sources		15,292					15,292

TOTAL REVENUES

2,083,227	192,681						2,275,908
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	6,301					6,301
401.00	Executive (Manager or Mayor)						
402.00	Auditing Services / Financial Administration	9,750					9,750
403.00	Tax Collection	5,389					5,389
404.00	Solicitor / Legal Services	94,226					94,226
405.00	Secretary / Clerk	99,909					99,909
406.00	Other General Government Administration	34,975					34,975
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services	34,390					34,390
409.00	General Government Buildings and Plant	102,766					102,766
Total General Government		387,706					387,706

Public Safety

410.00	Police						
411.00	Fire	143,344					143,344
412.00	Ambulance / Rescue	13,162					13,162
413.00	UCC and Code Enforcement	68,942					68,942

UNION 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

Public Safety								
414.00	Planning and Zoning	889						889
415.00	Emergency Management and Communications	394						394
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	1,750						1,750
Total Public Safety		228,481						228,481

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	17,639						17,639
Total Public Works - Sanitation		17,639						17,639

Public Works - Highways and Streets								
430.00	General Services - Administration	170,671						170,671
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		21,893					21,893
433.00	Traffic Control Devices	3,850						3,850
434.00	Street Lighting	375						375

UNION 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**Public Works - Highways and Streets**

435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	36,888						36,888
437.00	Repairs of Tools and Machinery	15,132						15,132
438.00	Maintenance and Repairs of Roads and Bridges	10,519						10,519
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		237,435	21,893					259,328

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	6,661						6,661
447.00	Transit System							
448.00	Water System	510						510
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		7,171						7,171

Culture and Recreation

451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	11,245						11,245

UNION 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

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	16,271						16,271
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		27,516						27,516

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	3,000						3,000
Total Community Development		3,000						3,000

Debt Service								
471.00	Debt Principal (short-term and long-term)	89,549						89,549
472.00	Debt Interest (short-term and long-term)	12,423						12,423
475.00	Fiscal Agent Fees							
Total Debt Service		101,972						101,972

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	23,327						23,327
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	15,069						15,069

UNION 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	15,868						15,868
487.00	Other Group Insurance Benefits	147,742						147,742
Total Employer Paid Benefits and Withholding Items		202,006						202,006

Insurance

486.00	Insurance, Casualty, and Surety	32,776						32,776
Total Insurance		32,776						32,776

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	4,870						4,870
Total Unclassified Operating Expenditures		4,870						4,870

Other Financing Uses

491.00	Refund of Prior Year Revenues	121						121
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		121						121

TOTAL EXPENDITURES

TOTAL EXPENDITURES		1,250,693	21,893					1,272,586
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		832,534	170,788					1,003,322

UNION 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
General Obligation Bonds and Notes											
General Obligation Note of 2013	Note	2013	2034	515,000	339,341		23,029		316,312		316,312
General Obligation Note of 2014	Note	2014	2024	650,000	212,248		66,520		145,728		145,728
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	462,040
Capitalized lease obligations	0
Net debt	462,040

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	19,567		19,567
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	19,567		19,567

EMPLOYEE COMPENSATION

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

261,802

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

SIGNATURE AND VERIFICATION

Signed: Christopher Turtell, CPA Appointed Auditor/CPA

December 31, 2022

NOTES / COMMENTS

The township has reported expenses under 429.00 for wastewater/sewage with no revenues reported under 364.10 as well as expenses under 448.00 for water system with no revenues under 378.00. This is due to the Township not having sewer and water related revenue streams but incurring expenses for sewage inspection fees and fire hydrant fees.

Included in the general fund year end fund balance is \$816,459 assigned for future capital projects.

The Township has a defined contribution pension plan that is not included within this report since it does not meet the definition of a pension trust fund under generally accepted accounting principles. The Township contributed \$15,069 to this plan.