



***UNION TOWNSHIP***

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

**Year Ended December 31, 2020**



**Herbein + Company, Inc.**  
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## **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**

We have audited the accompanying balance sheet - modified cash basis of Union Township, Pennsylvania, as of December 31, 2020, and the related statement of revenues and expenditures - modified cash basis, debt statement - modified cash basis, and statement of capital expenditures - modified cash basis for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes 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.

### **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 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the modified cash basis - financial position of Union Township as of December 31, 2020, and the modified cash basis - revenues, expenditures, and changes in financial position, modified cash basis - debt statement, and modified cash basis - capital expenditures for the year then ended in accordance with the financial reporting provisions of the modified cash basis of accounting.

### **Emphasis of Matters**

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when a liability is incurred. The accompanying Annual Financial Report was prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or government-wide statements, and is not intended to be a complete presentation of the Township's assets, liabilities, revenues, and expenditures. Our opinion is not modified with respect to these matters.

### **Restrictions on Use**

This report is intended solely for the information and use of 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 8, 2021**

**2020 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**061955 UNION TWP, BERKS COUNTY**



## UNION TWP, BERKS County

## BALANCE SHEET

December 31, 2020

		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	72,022									72,022
<b>Total Liabilities and Other Credits</b>		74,879									74,879
<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	1,349,883	248,988								1,598,871
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		1,349,883	248,988								1,598,871
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											1,673,750

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

December 31, 2020

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>Taxes</b>								
301.00	Real Estate Taxes	780,016						780,016
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	101,735						101,735
310.20	Earned Income Taxes / Wage Taxes	564,356						564,356
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	20,647						20,647
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		1,466,754						1,466,754

<b>Licenses and Permits</b>								
320-322	All Other Licenses and Permits	707						707
321.80	Cable Television Franchise Fees	42,474						42,474
<b>Total Licenses and Permits</b>		43,181						43,181

<b>Fines and Forfeits</b>								
330-332	Fines and Forfeits	3,353						3,353
<b>Total Fines and Forfeits</b>		3,353						3,353

UNION TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	7,707	1,773					9,480
342.00	Rents and Royalties	16,950						16,950
<b>Total Interest, Rents and Royalties</b>		24,657	1,773					26,430

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							
<b>Total Federal</b>								

State								
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)	1,449						1,449
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		186,221					186,221
355.04	Alcoholic Beverage Licenses	800						800
355.05	General Municipal Pension System State Aid	16,463						16,463
355.07	Foreign Fire Insurance Tax Distribution	22,895						22,895
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, 2020

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
<b>Total State</b>		41,741	186,221					227,962

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	980						980
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>		980						980

Charges for Service								
361.00	General Government	602						602
362.00	Public Safety	66,205						66,205
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	6,000						6,000
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	237						237
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

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

December 31, 2020

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>		73,044						73,044

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	5						5
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	547						547
<b>Total Unclassified Operating Revenues</b>		552						552

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		800					800
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, 2020

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	37,488						37,488
<b>Total Other Financing Sources</b>		37,488	800					38,288

### TOTAL REVENUES

1,691,750	188,794						1,880,544
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### EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	6,844						6,844
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	11,750						11,750
403.00	Tax Collection	4,899						4,899
404.00	Solicitor / Legal Services	68,515						68,515
405.00	Secretary / Clerk	89,279						89,279
406.00	Other General Government Administration	35,866						35,866
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	62,432						62,432
409.00	General Government Buildings and Plant	153,345						153,345
<b>Total General Government</b>		432,930						432,930

### Public Safety

410.00	Police							
411.00	Fire	129,063						129,063
412.00	Ambulance / Rescue	12,763						12,763
413.00	UCC and Code Enforcement	38,000						38,000

UNION TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	10,658						10,658
415.00	Emergency Management and Communications	1,105						1,105
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	250						250
<b>Total Public Safety</b>		191,839						191,839

#### Health and Human Services

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

#### 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	22,439						22,439
<b>Total Public Works - Sanitation</b>		22,439						22,439

#### Public Works - Highways and Streets

430.00	General Services - Administration	217,349						217,349
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		12,515					12,515
433.00	Traffic Control Devices	1,444						1,444
434.00	Street Lighting	412						412

UNION TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	36,712						36,712
437.00	Repairs of Tools and Machinery	18,167						18,167
438.00	Maintenance and Repairs of Roads and Bridges	51,741						51,741
439.00	Highway Construction and Rebuilding Projects		267,979					267,979
<b>Total Public Works - Highways and Streets</b>		325,825	280,494					606,319

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	6,497						6,497
447.00	Transit System							
448.00	Water System	680						680
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		7,177						7,177

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	6,471						6,471

UNION TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
<b>Total Culture and Recreation</b>		22,742						22,742

Community Development								
461.00	Conservation of Natural Resources	273						273
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>		273						273

Debt Service								
471.00	Debt Principal (short-term and long-term)	90,230						90,230
472.00	Debt Interest (short-term and long-term)	16,270						16,270
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		106,500						106,500

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	24,357						24,357
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	11,759						11,759

UNION TWP, BERKS County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	17,264						17,264
487.00	Other Group Insurance Benefits	172,993						172,993
<b>Total Employer Paid Benefits and Withholding Items</b>		226,373						226,373

Insurance								
486.00	Insurance, Casualty, and Surety	31,116						31,116
<b>Total Insurance</b>		31,116						31,116

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures							
<b>Total Unclassified Operating Expenditures</b>								

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	800						800
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		800						800

<b>TOTAL EXPENDITURES</b>	1,368,014	280,494						1,648,508
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	323,736	-91,700						232,036
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**UNION TWP**  
December 31, 2020

**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>											
General Obligation Note of 2013	Note	2013	2034	515,000	387,726		25,821		361,905		361,905
General Obligation Note of 2014	Note	2014	2024	650,000	342,112		64,409		277,703		277,703
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	639,608
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	639,608



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

December 31, 2020

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			
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>			

**EMPLOYEE COMPENSATION**

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

300,073

**ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION**

To the:           Governing Body of the Municipality  
                    President Judge of the Court of Common Pleas  
                    Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the UNION TWP have audited, adjusted and settled the various funds and account groups of the UNION TWP for the year ended December 31, 2020. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of UNION TWP for the year ended December 31, 2020, and the results of operations of such funds in accordance with the law.

**SIGNATURE AND VERIFICATION**

Signed:

Subscribed and sworn to before me this 1 day of January, 1.



Signed: \_\_\_\_\_

Witness (Controller)/Auditor (Auditors)

December 31, 2020

**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 \$591,928 assigned for future capital projects.

Pension aid revenue in 355.05 is reported net of \$2,269 returned to the state for overpayment due to an employee resigning in 2020.

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.