



UNION TOWNSHIP

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

Year Ended December 31, 2017



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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 Community and Economic Development

We have audited the accompanying balance sheet - modified cash basis of Union Township, Pennsylvania, as of December 31, 2017, 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, 2017, 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 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 28, 2018

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061955 UNION TWP, BERKS COUNTY

DCED-CLGS-30 (09-09)

BALANCE SHEET

Government of Oregon											
		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	650,664	403,769					526,941			1,581,374
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	587									587
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		651,251	403,769					526,941			1,581,961

[illegible]

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2017

	Governmental Funds										Total
	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		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										
Total Liabilities and Other Credits											
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	650,669	403,769					465,280			1,519,718	
291-299	Other Equity										
Total Fund and Account Group Equity											

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	1,581,961
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UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

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	717,395							717,395
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	86,403							86,403
310.20	Earned Income Taxes / Wage Taxes	505,986							505,986
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	23,608							23,608
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,333,392							1,333,392

Licenses and Permits									
320-322	All Other Licenses and Permits	362							362
321.80	Cable Television Franchise Fees	41,984							41,984
Total Licenses and Permits		42,346							42,346

Fines and Forfeits									
330-332	Fines and Forfeits	5,835							5,835
Total Fines and Forfeits		5,835							5,835

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	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	4,248	1,349					5,597
342.00	Rents and Royalties	15,800						15,800
Total Interest, Rents and Royalties		20,048	1,349					21,397

Federal								
351.03	Highways and Streets	14,690						14,690
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		14,690						14,690

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	2,199						2,199
354.00	All Other State Capital and Operating Grants	55,000						55,000
355.01	Public Utility Realty Tax (PURTA)	1,384						1,384
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		179,549					179,549
355.04	Alcoholic Beverage Licenses	800						800
355.05	General Municipal Pension System State Aid	14,616						14,616
355.07	Foreign Fire Insurance Tax Distribution	22,867						22,867
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, 2017

		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	
134							134	
97,000	179,549						276,549	

REVENUES

State		
355.00	All Other State Shared Revenues and Entitlements	
356.00	State Payments in Lieu of Taxes	134
Total State		179,549

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	1,010							1,010
362.00	Public Safety	121,733							121,733
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	342							342
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation	1,000							1,000
368.00	Airports								

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

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	750					750
Total Charges for Service		124,835					124,835

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					37,873	37,873
389.00	All Other Unclassified Operating Revenues						
Total Unclassified Operating Revenues						37,873	37,873

Other Financing Sources							
391.00	Proceeds of General Fixed Asset Disposition	1,500					1,500
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, 2017

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	16,058						16,058
Total Other Financing Sources		17,558						17,558

TOTAL REVENUES	1,655,704	180,898					37,873	1,874,475
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	5,625						5,625
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	5,000						5,000
403.00	Tax Collection	5,392						5,392
404.00	Solicitor / Legal Services	76,891						76,891
405.00	Secretary / Clerk	101,304						101,304
406.00	Other General Government Administration	38,011						38,011
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	72,414						72,414
409.00	General Government Buildings and Plant	130,965						130,965
Total General Government		435,602						435,602

Public Safety								
410.00	Police							
411.00	Fire	129,035						129,035
412.00	Ambulance / Rescue	10,090						10,090
413.00	UCC and Code Enforcement	103,083						103,083

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

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	4,854						4,854
415.00	Emergency Management and Communications	30						30
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	1,505						1,505
Total Public Safety		248,597						248,597

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	8,778						8,778
Total Public Works - Sanitation		8,778						8,778

Public Works - Highways and Streets								
430.00	General Services - Administration	206,823						206,823
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		28,095					28,095
433.00	Traffic Control Devices	3,624						3,624
434.00	Street Lighting	415						415

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

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	20,577						20,577
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	57,395						57,395
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		288,834	28,095					316,929

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries	250						250
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	680						680
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		930						930

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	9,901	13,816					23,717

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

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	14,055						14,055
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	55,000						55,000
Total Culture and Recreation		78,956	13,816					92,772

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)	85,663						85,663
472.00	Debt Interest (short-term and long-term)	21,797						21,797
475.00	Fiscal Agent Fees							
Total Debt Service		107,460						107,460

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	22,985						22,985
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	17,274						17,274

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2017

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	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	17,109						17,109
487.00	Other Group Insurance Benefits	126,143						126,143
Total Employer Paid Benefits and Withholding Items		183,511						183,511

Insurance

486.00	Insurance, Casualty, and Surety	30,501						30,501
Total Insurance		30,501						30,501

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	103						103
Total Unclassified Operating Expenditures		103						103

Other Financing Uses

491.00	Refund of Prior Year Revenues	36,239						36,239
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		36,239						36,239

TOTAL EXPENDITURES

1,419,511	41,911							1,461,422
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

236,193	138,987						37,873	413,053
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UNION TWP

December 31, 2017

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	462,631		24,295		438,336		438,336
General Obligation Note of 2014	Note	2014	2024	650,000	529,226		61,368		467,858		467,858
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

906,194

Capitalized lease obligations

0

Net debt

906,194

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES
December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	5,174	24,102	29,276
Health			
Housing			
Libraries			
Mass Transit			
Parks	4,900		4,900
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	10,074	24,102	34,176

EMPLOYEE COMPENSATION

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

290,561