HERBEIN

CPAS + CONSULTANTS

UNION TOWNSHIP

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

Year Ended December 31, 2018

HERBEIN
CPAS + CONSULTANTS

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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, 2018, 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.

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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, 2018, 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 21, 2019

DCED-CLGS-30 (9-09)

Received by DCED:
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

061955 UNION TWP, BERKS COUNTY

BALANCE SHEET

UNION 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	980,002	224,309					561,945			1,766,256
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	3,838									3,838
160-169	Fixed Assets										
180-189	Other Debits										
	Total Assets and Other Debits	983,840	224,309					561,945			1,770,094
	Liabilities and Other Credits										
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	1,267									1,267
230.00	Due To Other Funds										

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2018

Code	Item	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fid. Fund: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long Term Debt	Total: Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits							43,861			43,861
Total Liabilities and Other Credits		1,267						43,861			45,128
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	982,573	224,309					518,084			1,724,966
291-299	Other Equity										
Total Fund and Account Group Equity		982,573	224,309					518,084			1,724,966
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,770,094

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

REVENUES

Code	Taxes	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
301.00	Real Estate Taxes	716,461							716,461
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	127,069							127,069
310.20	Earned Income Taxes / Wage Taxes	539,114							539,114
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	24,858							24,858
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: ______________								
	Other: ______________								
	Total Taxes	1,407,502							1,407,502

Code	Licenses and Permits	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
320-322	All Other Licenses and Permits	458							458
321.80	Cable Television Franchise Fees	40,619							40,619
	Total Licenses and Permits	41,077							41,077

Code	Fines and Forfeits	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
330-332	Fines and Forfeits	7,182							7,182
	Total Fines and Forfeits	7,182							7,182

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

REVENUES

Code	Item	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	Interest, Rents and Royalties								
341.00	Interest Earnings	6,903	2,734						9,637
342.00	Rents and Royalties	23,500							23,500
	Total Interest, Rents and Royalties	30,403	2,734						33,137
	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	2,753							2,753
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	1,387							1,387
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		186,765						186,765
355.04	Alcoholic Beverage Licenses	800							800
355.05	General Municipal Pension System State Aid	15,725							15,725
355.07	Foreign Fire Insurance Tax Distribution	21,005							21,005
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, 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	134							134
	Total State	41,804	186,765						228,569
	Local Government Units								
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants		462						462
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		462						462
	Charges for Service								
361.00	General Government	1,500							1,500
362.00	Public Safety	125,378							125,378
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	444							444
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, 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	2,880							2,880
	Total Charges for Service	130,202							130,202
	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							33,428	33,428
389.00	All Other Unclassified Operating Revenues	185							185
	Total Unclassified Operating Revenues	185						33,428	33,613
	Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	6,020							6,020
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, 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	152,695							152,695
	Total Other Financing Sources	158,715							158,715
	TOTAL REVENUES	1,817,070	189,961					33,428	2,040,459
EXPENDITURES									
	General Government								
400.00	Legislative (Governing) Body	5,625							5,625
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	6,000							6,000
403.00	Tax Collection	5,252							5,252
404.00	Solicitor / Legal Services	63,757							63,757
405.00	Secretary / Clerk	106,261							106,261
406.00	Other General Government Administration	33,425							33,425
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	60,546							60,546
409.00	General Government Buildings and Plant	108,153							108,153
	Total General Government	389,019							389,019
	Public Safety								
410.00	Police								
411.00	Fire	127,173							127,173
412.00	Ambulance / Rescue	10,988							10,988
413.00	UCC and Code Enforcement	119,276							119,276

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

Code	Description	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	Public Safety								
414.00	Planning and Zoning	1,823							1,823
415.00	Emergency Management and Communications								
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	1,605							1,605
	Total Public Safety	260,865							260,865
	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	8,293							8,293
	Total Public Works - Sanitation	8,293							8,293
	Public Works - Highways and Streets								
430.00	General Services - Administration	334,930							334,930
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		51,452						51,452
433.00	Traffic Control Devices	2,262							2,262
434.00	Street Lighting	417							417

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

Code	Item	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	Culture and Recreation								
455.00	Shade Trees								
456.00	Libraries	14,758							14,758
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
	Total Culture and Recreation	39,244	29,327						68,571
	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)	87,328							87,328
472.00	Debt Interest (short-term and long-term)	20,133							20,133
475.00	Fiscal Agent Fees								
	Total Debt Service	107,461							107,461
	Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	25,342							25,342
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	18,380							18,380

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

Code	Item	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	18,752							18,752
487.00	Other Group Insurance Benefits	166,011							166,011
	Total Employer Paid Benefits and Withholding Items	228,485							228,485
	Insurance								
486.00	Insurance, Casualty, and Surety	29,180							29,180
	Total Insurance	29,180							29,180
	Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures	137						3,597	3,734
	Total Unclassified Operating Expenditures	137						3,597	3,734
	Other Financing Uses								
491.00	Refund of Prior Year Revenues	6,781							6,781
492.00	Interfund Operating Transfers								
493.00	All Other Financing Uses								
	Total Other Financing Uses	6,781							6,781
	TOTAL EXPENDITURES	1,485,166	369,421					3,597	1,858,184
	EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	331,904	-179,460					29,831	182,275

UNION 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											
General Obligation Note of 2013	Note	2013	2034	515,000	438,336		24,962		413,374		413,374
General Obligation Note of 2014	Note	2014	2024	650,000	467,858		62,366		405,492		405,492
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	818,866
Capitalized lease obligations	0
Net debt	818,866

UNION TWP, BERKS County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	14,964	13,722	28,686
Health			
Housing			
Libraries			
Mass Transit			
Parks	990		990
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	85,582		85,582
Water			
Other: ______________			
TOTAL CAPITAL EXPENDITURES	101,536	13,722	115,258

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 321,961

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, 2018. 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, 2018, 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.

SEAL

Signed: ______________________________

Witness (Controller)/Auditor (Auditors)

December 31, 2018

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.

Statement of Activity from PMRS for 2018 Pension Trust Funds not available as of 4/1/19. Only known contributions into the plan by the Township and employees as well as a refund out of the plan is reported for 2018 activity.

The fiduciary funds fund balance does not roll forward from the 2017 DCED filing. The fund balance reported on the 2017 DCED report was $465,280, while the actual ending fund balance was $488,253. The $22,973 difference is due to the 2017 PMRS statement not being available at the time of the DCED filing and the Township only reporting known activity for the 2017 year.

Included in the general fund year end fund balance is $479,181 assigned for future capital projects.