



UNION TOWNSHIP

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

Year Ended December 31, 2021



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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

Opinion

We have audited the accompanying balance sheet - modified cash basis of Union Township ("the Township"), Pennsylvania, as of December 31, 2021 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 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, 2021, 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 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 by Union Township, in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania under the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. 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 these financial statements in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. 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 opinions. 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 30, 2022**

2021 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061955 UNION TWP, BERKS COUNTY

UNION TWP, BERKS County
BALANCE SHEET
December 31, 2021

Liabilities and Other Credits								
210-229	Payroll Taxes and Other Payroll Withholdings							
200-209, 231-239	All Other Current Liabilities							
230.00	Due To Other Funds							

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2021

	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	70,828									70,828
Total Liabilities and Other Credits	70,828									70,828
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	2,000,023	392,490								2,392,513
291-299 Other Equity										
Total Fund and Account Group Equity	2,000,023	392,490								2,392,513

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY

2,463,341

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2021

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		765,975						765,975
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	113,088							113,088
310.20	Earned Income Taxes / Wage Taxes	612,926							612,926
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	25,079							25,079
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,517,068							1,517,068

Licenses and Permits									
320-322	All Other Licenses and Permits	115							115
321.80	Cable Television Franchise Fees	41,515							41,515
Total Licenses and Permits		41,630							41,630

Fines and Forfeits									
330-332	Fines and Forfeits	7,053							7,053
Total Fines and Forfeits		7,053							7,053

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2021

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	2,484	377					2,861
342.00	Rents and Royalties	29,250						29,250
Total Interest, Rents and Royalties		31,734	377					32,111

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	196,516						196,516
353.00	Federal Payments in Lieu of Taxes							
Total Federal		196,516						196,516

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	1,973						1,973
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,486						1,486
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		175,605					175,605
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	15,328						15,328
355.07	Foreign Fire Insurance Tax Distribution	20,586						20,586
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, 2021

Governmental Funds						Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		

REVENUES

State							
355.00	All Other State Shared Revenues and Entitlements						
356.00	State Payments in Lieu of Taxes	134					134
Total State		39,507	175,605				215,112

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	1,581					1,581
362.00	Public Safety	124,287					124,287
363.20	Parking						
363.00	All Other Charges for Highway & Street Services	4,268					4,268
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	373					373
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, 2021

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							
Total Charges for Service		130,509						130,509

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	791						791
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	567						567
Total Unclassified Operating Revenues		1,358						1,358

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							

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2021

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	64,527						64,527
Total Other Financing Sources		64,527						64,527

TOTAL REVENUES	2,029,902	175,982						2,205,884
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	5,080						5,080
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	12,750						12,750
403.00	Tax Collection	4,909						4,909
404.00	Solicitor / Legal Services	90,387						90,387
405.00	Secretary / Clerk	100,170						100,170
406.00	Other General Government Administration	37,012						37,012
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	35,407						35,407
409.00	General Government Buildings and Plant	69,451						69,451
Total General Government		355,166						355,166

Public Safety								
410.00	Police							
411.00	Fire	137,371						137,371
412.00	Ambulance / Rescue	13,163						13,163
413.00	UCC and Code Enforcement	76,096						76,096

Public Safety	
414.00	Planning and Zoning
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
Total Public Safety	

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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
Total Public Works - Sanitation	

430.00	General Services - Administration	215,023								215,023
431.00	Cleaning of Streets and Gutters									
432.00	Winter Maintenance – Snow Removal		32,480							32,480
433.00	Traffic Control Devices	4,920								4,920
434.00	Street Lighting	397								397

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2021

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	45,671						45,671
437.00	Repairs of Tools and Machinery	36,569						36,569
438.00	Maintenance and Repairs of Roads and Bridges	36,197						36,197
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		338,777	32,480					371,257

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	1,352						1,352
447.00	Transit System							
448.00	Water System	680						680
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		2,032						2,032

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	12,767						12,767

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
Total Culture and Recreation	

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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
Total Debt Service	

Employer Paid Benefits and Withholding Items	
481.00	Employer Paid Withholding Taxes and Unemployment Compensation
482.00	Judgments and Losses
483.00	Pension / Retirement Fund Contributions

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2021

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	18,052						18,052
487.00	Other Group Insurance Benefits	192,023						192,023
Total Employer Paid Benefits and Withholding Items		259,062						259,062

Insurance								
486.00	Insurance, Casualty, and Surety	30,974						30,974
Total Insurance		30,974						30,974

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	966						966
Total Unclassified Operating Expenditures		966						966

Other Financing Uses								
491.00	Refund of Prior Year Revenues	1,397						1,397
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		1,397						1,397

TOTAL EXPENDITURES	1,379,762	32,480						1,412,242
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	650,140	143,502						793,642
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UNION TWP
December 31, 2021

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	361,905		22,564		339,341		339,341
General Obligation Note of 2014	Note	2014	2024	650,000	277,703		65,455		212,248		212,248
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

551,589

Capitalized lease obligations

0

Net debt

551,589

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2021

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: _____			
TOTAL CAPITAL EXPENDITURES			

EMPLOYEE COMPENSATION

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

306,964

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, 2021. 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.

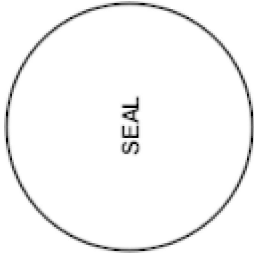
These financial statements do not include all of the disclosures required by generally accepted accounting principles.

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, 2021, 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, 2021

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 \$815,437 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.