

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, 2023, 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, 2023, 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.

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 26, 2024

2023 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061955 UNION TWP, BERKS COUNTY

UNION TWP, BERKS County
BALANCE SHEET
December 31, 2023

Liabilities and Other Credits									
210-229	Payroll Taxes and Other Payroll Withholdings								
200-209, 231-239	All Other Current Liabilities	98,901							98,901
230.00	Due To Other Funds								

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2023

	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		General Fixed Assets	General Long Term Debt	
Liabilities and Other Credits										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits	53,387									53,387
Total Liabilities and Other Credits	152,288									152,288
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	3,349,392	328,035								3,677,427
291-299 Other Equity										
Total Fund and Account Group Equity	3,349,392	328,035								3,677,427

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY

3,829,715

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2023

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		788,925						788,925
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	105,131							105,131
310.20	Earned Income Taxes / Wage Taxes	723,493							723,493
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	29,282							29,282
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,646,831							1,646,831

Licenses and Permits									
320-322	All Other Licenses and Permits								
321.80	Cable Television Franchise Fees	36,596							36,596
Total Licenses and Permits		36,596							36,596

Fines and Forfeits									
330-332	Fines and Forfeits	3,928							3,928
Total Fines and Forfeits		3,928							3,928

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2023

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	35,560	7,212					42,772
342.00	Rents and Royalties	30,000						30,000
Total Interest, Rents and Royalties		65,560	7,212					72,772

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							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,468						1,468
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		186,056					186,056
355.04	Alcoholic Beverage Licenses	600						600
355.05	General Municipal Pension System State Aid	15,942						15,942
355.07	Foreign Fire Insurance Tax Distribution	26,172						26,172
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, 2023

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		44,316	186,056					230,372

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	10,485						10,485
362.00	Public Safety	60,130						60,130
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	197						197
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	300						300
368.00	Airports							

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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		71,112						71,112

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	218						218
Total Unclassified Operating Revenues		218						218

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	17,150						17,150
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, 2023

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	4,283							4,283
Total Other Financing Sources		21,433							21,433

TOTAL REVENUES		1,935,980	193,268						2,129,248
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EXPENDITURES

General Government									
400.00	Legislative (Governing) Body	6,295							6,295
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	10,500							10,500
403.00	Tax Collection	5,012							5,012
404.00	Solicitor / Legal Services	48,362							48,362
405.00	Secretary / Clerk	95,599							95,599
406.00	Other General Government Administration	43,283							43,283
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	60,686							60,686
409.00	General Government Buildings and Plant	96,554							96,554
Total General Government		366,291							366,291

Public Safety									
410.00	Police								
411.00	Fire	155,012							155,012
412.00	Ambulance / Rescue	13,655							13,655
413.00	UCC and Code Enforcement	64,045							64,045

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2023

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	6,744							6,744
415.00	Emergency Management and Communications	346							346
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		241,552							241,552

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	14,138							14,138
Total Public Works - Sanitation		14,138							14,138

Public Works - Highways and Streets									
430.00	General Services - Administration	184,586							184,586
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		11,842						11,842
433.00	Traffic Control Devices	3,415							3,415
434.00	Street Lighting	404							404

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	38,036						38,036
437.00	Repairs of Tools and Machinery	17,155						17,155
438.00	Maintenance and Repairs of Roads and Bridges	178,137	255,361					433,498
439.00	Highway Construction and Rebuilding Projects		161,308					161,308
Total Public Works - Highways and Streets		421,733	428,511					850,244

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries	300						300
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							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		300						300

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	11,531						11,531

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2023

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	
	16,271							16,271
27,802								27,802

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		27,802							27,802

Community Development									
461.00	Conservation of Natural Resources	120							120
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
Total Community Development		120							120

Debt Service									
471.00	Debt Principal (short-term and long-term)	91,195							91,195
472.00	Debt Interest (short-term and long-term)	10,778							10,778
475.00	Fiscal Agent Fees								
Total Debt Service		101,973							101,973

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	25,176							25,176
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	15,960							15,960

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	22,720					22,720
487.00	Other Group Insurance Benefits	144,919					144,919
Total Employer Paid Benefits and Withholding Items		208,775					208,775

Insurance							
486.00	Insurance, Casualty, and Surety	34,029					34,029
Total Insurance		34,029					34,029

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	2,432					2,432
Total Unclassified Operating Expenditures		2,432					2,432

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

TOTAL EXPENDITURES	1,419,145	428,511					1,847,656
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	516,835	-235,243					281,592
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UNION TWP
December 31, 2023

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	316,312		23,595		292,717		292,717
General Obligation Note of 2014	Note	2014	2024	650,000	145,728		67,600		78,128		78,128
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

370,845

Capitalized lease obligations

0

Net debt

370,845

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2023

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)

266,852

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Christopher M. Turtell, CPA Appointed Auditor/CPA

December 31, 2023

NOTES / COMMENTS

The township has reported expenses under 429.00 for wastewater/sewage with no revenues reported under 364.10. This is due to the Township not having sewer related revenue streams but incurring expenses for sewage inspection fees.

Included in the general fund year end fund balance is \$1,154,486 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 \$15,960 to this plan.