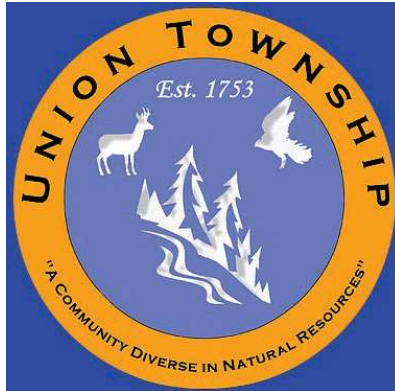




UNION TOWNSHIP

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

Year Ended December 31, 2024

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

Opinions

We have audited the accompanying financial statements of Union Township, Pennsylvania, which comprise the balance sheet as of December 31, 2024 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 (DCED).

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Township, as of December 31, 2024, and the changes in 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 DCED as described in the Basis of Accounting section of our report.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Union Township, as of December 31, 2024, or changes in financial position for the year then ended, or the related notes to the financial statements.

Basis for Opinions

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 opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in the Basis of Accounting section of our report, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. The effects on the financial statements of the variances between the regulatory basis of accounting described in the Basis of Accounting section of our report and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Basis of Accounting

The financial statements are prepared on a regulatory basis of accounting within the format prescribed by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As permitted by the DCED, the Township prepares its financial statements on the modified cash basis of accounting. 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, significant differences from accounting principles generally accepted in the United States of America are the omission of the government-wide statement of net position and statement of activities, omission of presentation of major funds, and omission of substantially all the related notes to the financial statements.

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 DCED. 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 of Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties.

Herbein + Company, Inc.

Reading, Pennsylvania

March 31, 2025

DCED-CLGS-30 (9-09)

Received by DCED: 03/31/2025
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

2024 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061955 UNION TWP, BERKS COUNTY

BALANCE SHEET

[illegible][illegible]

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2024

[illegible][illegible]

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	4,483,350
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UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2024

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	779,016							779,016
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	99,428							99,428
310.20	Earned Income Taxes / Wage Taxes	762,144							762,144
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	35,310							35,310
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,675,898							1,675,898

Licenses and Permits									
320-322	All Other Licenses and Permits	83,691							83,691
321.80	Cable Television Franchise Fees	36,050							36,050
Total Licenses and Permits		119,741							119,741

Fines and Forfeits									
330-332	Fines and Forfeits	2,479							2,479
Total Fines and Forfeits		2,479							2,479

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2024

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	89,550	3,573						93,123
342.00	Rents and Royalties	28,900							28,900
Total Interest, Rents and Royalties		118,450	3,573						122,023

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	2,127							2,127
354.00	All Other State Capital and Operating Grants	98,175							98,175
355.01	Public Utility Realty Tax (PURTA)	1,578							1,578
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		185,708						185,708
355.04	Alcoholic Beverage Licenses	600							600
355.05	General Municipal Pension System State Aid	15,960							15,960
355.07	Foreign Fire Insurance Tax Distribution	26,734							26,734
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, 2024

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	469							469
Total State		145,643	185,708						331,351

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	11,331							11,331
362.00	Public Safety	130,972							130,972
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	628							628
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation	306	8,700						9,006
368.00	Airports								

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2024

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	1,770							1,770
Total Charges for Service		145,007	8,700						153,707

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	8,823							8,823
Total Unclassified Operating Revenues		8,823							8,823

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, 2024

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	2,909							2,909
Total Other Financing Sources		2,909							2,909

TOTAL REVENUES

2,218,950	197,981							2,416,931
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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	10,000							10,000
403.00	Tax Collection	4,881							4,881
404.00	Solicitor / Legal Services	33,649							33,649
405.00	Secretary / Clerk	109,505							109,505
406.00	Other General Government Administration	33,403							33,403
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	45,397							45,397
409.00	General Government Buildings and Plant	68,669							68,669
Total General Government		311,129							311,129

Public Safety

410.00	Police								
411.00	Fire	190,646							190,646
412.00	Ambulance / Rescue	13,860							13,860
413.00	UCC and Code Enforcement	89,894							89,894

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2024

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	4,830							4,830
415.00	Emergency Management and Communications	553							553
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	2,250							2,250
Total Public Safety		302,033							302,033

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	12,284							12,284
Total Public Works - Sanitation		12,284							12,284

Public Works - Highways and Streets

430.00	General Services - Administration	193,130							193,130
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		20,336						20,336
433.00	Traffic Control Devices	7,554							7,554
434.00	Street Lighting	418							418

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2024

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	10,695							10,695
437.00	Repairs of Tools and Machinery	19,910							19,910
438.00	Maintenance and Repairs of Roads and Bridges	19,898	378,257						398,155
439.00	Highway Construction and Rebuilding Projects		59,634						59,634
Total Public Works - Highways and Streets		251,605	458,227						709,832

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	3,825							3,825
447.00	Transit System								
448.00	Water System	1,360							1,360
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises		5,485							5,485

Culture and Recreation

451.00	Culture-Recreation Administration								
452.00	Participant Recreation	70,751							70,751
453.00	Spectator Recreation								
454.00	Parks	8,563							8,563

UNION TWP, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2024

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								
Total Culture and Recreation		95,585							95,585

Community Development									
461.00	Conservation of Natural Resources	706							706
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
Total Community Development		706							706

Debt Service									
471.00	Debt Principal (short-term and long-term)	93,969							93,969
472.00	Debt Interest (short-term and long-term)	8,004							8,004
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	25,868							25,868
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	15,600							15,600

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2024

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	9,431							9,431
487.00	Other Group Insurance Benefits	198,921							198,921
Total Employer Paid Benefits and Withholding Items		249,820							249,820

Insurance

486.00	Insurance, Casualty, and Surety	37,425							37,425
Total Insurance		37,425							37,425

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures	4,500							4,500
Total Unclassified Operating Expenditures		4,500							4,500

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

1,372,545	458,227							1,830,772
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

846,405	-260,246							586,159
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UNION TWP
December 31, 2024

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	292,717		24,154		268,563		268,563
General Obligation Note of 2014	Note	2014	2024	650,000	78,128		78,128		0	0	0
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount	Total bonds and notes outstanding	268,563
	Capitalized lease obligations	0
	Net debt	268,563

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES
December 31, 2024

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	8,175		8,175
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation	70,751		70,751
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	78,926		78,926

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 291,907

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Herbein and Company, Inc. Appointed Auditor/CPA

December 31, 2024

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 \$1,291,036 assigned for future capital projects.

The debt principal payments in account 471.00 of \$93,969 do not agree to the to debt principal payments on the debt statement of \$102,282. There was an error in the amortization table that was provided to the Township by the Commonwealth for this loan which resulted in principal and interest allocation differences starting with the Township's first payment on 4/1/16. The error was identified with the loan's final payoff in 2024. The actual balance outstanding at 1/1/24 was \$69,815. The principal paid that is reported in the debt statement reflects the beginning balance that rolled forward from the prior year DCED report submission in order to properly show the ending balance of \$0 on the loan at 12/31/24.

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 \$15,600 to this plan.